UNIVISION COMMUNICATIONS INC. AND SUBSIDIARIES
2020 First Quarter Reporting Package

UNIVISION COMMUNICATIONS INC. AND SUBSIDIARIES

INDEX

Financial Information:

UNIVISION COMMUNICATIONS INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per-share data)

	March 31, 2020	December 31, 2019
ASSETS	**(Unaudited)**	
Current assets:		
Cash and cash equivalents	$ 650,000	$ 291,400
Accounts receivable, less allowance for doubtful accounts of $11,300 in 2020 and $4,200 in 2019	608,500	629,300
Program rights and prepayments	128,100	161,000
Prepaid expenses and other	107,100	104,500
Total current assets	1,493,700	1,186,200
Property and equipment, net	492,600	516,800
Intangible assets, net	2,482,300	2,571,400
Goodwill	4,591,800	4,591,800
Program rights and prepayments	91,800	52,400
Investments	45,900	51,400
Operating lease right-of-use assets	179,800	179,700
Other assets	232,000	171,000
Total assets	$ 9,609,900	$ 9,320,700
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 293,400	$ 358,400
Deferred revenue	73,800	69,400
Current operating lease liabilities	45,700	45,300
Current portion of long-term debt and finance lease obligations	449,400	81,600
Total current liabilities	862,300	554,700
Long-term debt and finance lease obligations	7,358,200	7,354,800
Deferred tax liabilities, net	391,900	403,000
Deferred revenue	319,200	333,300
Noncurrent operating lease liabilities	182,100	184,000
Other long-term liabilities	160,700	134,200
Total liabilities	9,274,400	8,964,000
Stockholder's equity:		
Common Stock, $0.01 par value; 100,000 shares authorized in 2020 and 2019, 1,000 shares issued and outstanding at March 31, 2020 and December 31, 2019	—	—
Additional paid-in-capital	5,320,600	5,314,600
Accumulated deficit	(4,811,700)	(4,823,400)
Accumulated other comprehensive loss	(173,400)	(134,500)
Total Univision Communications Inc. and subsidiaries stockholder's equity	335,500	356,700
Total liabilities and stockholder's equity	$ 9,609,900	$ 9,320,700

See Notes to Consolidated Financial Statements.

UNIVISION COMMUNICATIONS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited and in thousands)

	Three Months Ended March 31,	
	2020	2019
Revenue	$ 660,400	$ 611,900
Direct operating expenses	238,400	254,500
Selling, general and administrative expenses	178,200	158,800
Impairment loss	75,100	5,600
Restructuring, severance and related charges	4,200	8,900
Depreciation and amortization	41,000	38,400
Loss on dispositions	600	6,400
Operating income	122,900	139,300
Other expense (income):		
Interest expense	95,100	97,100
Interest income	(700)	(3,300)
Amortization of deferred financing costs	1,900	1,900
Other	11,200	(4,900)
Income before income taxes	15,400	48,500
Provision for income taxes	3,700	11,600
Income from continuing operations	11,700	36,900
Loss from discontinued operations, net of income taxes	—	(12,400)
Net income	11,700	24,500
Net income attributable to noncontrolling interests	—	200
Net income attributable to Univision Communications Inc. and subsidiaries	$ 11,700	$ 24,300

See Notes to Consolidated Financial Statements.

UNIVISION COMMUNICATIONS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited and in thousands)

	Three Months Ended March 31,	
	2020	**2019**
Net income	$ 11,700	$ 24,500
Other comprehensive loss, net of tax:		
Unrealized loss on hedging activities	(36,400)	(27,300)
Reclassification of hedging activities to income	(700)	(1,000)
Unrealized loss on available for sale securities	—	(3,800)
Currency translation adjustment	(1,800)	200
Other comprehensive loss	(38,900)	(31,900)
Comprehensive loss	(27,200)	(7,400)
Comprehensive income attributable to noncontrolling interests	—	200
Comprehensive loss attributable to Univision Communications Inc. and subsidiaries	$ (27,200)	$ (7,600)

See Notes to Consolidated Financial Statements.

UNIVISION COMMUNICATIONS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY (Unaudited and in thousands)

	Univision Communications Inc. and Subsidiaries Stockholder's Equity						
	Common Stock	Additional Paid-in-Capital	Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Total	Noncontrolling Interest	Total Equity
Balance, December 31, 2018	$ —	$ 5,292,500	$ (5,122,800)	$ (35,500)	$ 134,200	$ 2,600	$ 136,800
Net income	—	—	24,300	—	24,300	200	24,500
Other comprehensive loss	—	—	—	(31,900)	(31,900)	—	(31,900)
Repurchase of common stock on behalf of Univision Holdings, Inc.	—	(700)	—	—	(700)	—	(700)
Amounts related to Univision Holdings, Inc. equity awards to Univision Communications Inc. employees	—	4,800	—	—	4,800	—	4,800
Adoption of new accounting standard, net of tax	—	—	10,700	—	10,700	—	10,700
Balance, March 31, 2019	$ —	$ 5,296,600	$ (5,087,800)	$ (67,400)	$ 141,400	$ 2,800	$ 144,200
Balance, December 31, 2019	$ —	$ 5,314,600	$ (4,823,400)	$ (134,500)	$ 356,700	$ —	$ 356,700
Net income	—	—	11,700	—	11,700	—	11,700
Other comprehensive loss	—	—	—	(38,900)	(38,900)	—	(38,900)
Amounts related to Univision Holdings, Inc. equity awards to Univision Communications Inc. employees	—	6,000	—	—	6,000	—	6,000
Balance, March 31, 2020	$ —	$ 5,320,600	$ (4,811,700)	$ (173,400)	$ 335,500	$ —	$ 335,500

See Notes to Consolidated Financial Statements.

UNIVISION COMMUNICATIONS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited and in thousands)

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	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Cash flows from operating activities:		
Net income	$ 11,700	$ 24,500
Less: Loss from discontinued operations, net of tax	—	(12,400)
Income from continuing operations	11,700	36,900
Adjustments to reconcile income from continuing operations to net cash (used in) provided by operating activities:		
Depreciation	26,900	25,200
Amortization of intangible assets	14,100	13,200
Amortization of deferred financing costs	1,900	1,900
Amortization of program rights and prepayments	30,800	—
Deferred income taxes	1,700	11,400
Non-cash deferred advertising commitments	(13,500)	(10,500)
Impairment loss	75,100	5,600
Share-based compensation	6,000	4,700
Loss on dispositions	600	6,400
Other non-cash items	7,900	(7,100)
Changes in assets and liabilities:		
Accounts receivable, net	15,800	81,500
Program rights and prepayments	(37,400)	(50,700)
Prepaid expenses and other	(5,300)	(13,900)
Accounts payable and accrued liabilities	(81,900)	(60,700)
Deferred revenue	3,700	6,400
Other long-term liabilities	(400)	800
Other assets	(60,800)	(42,900)
Net cash (used in) provided by operating activities from continuing operations	(3,100)	8,200
Net cash provided by operating activities from discontinued operations	—	3,400
Net cash (used in) provided by operating activities	(3,100)	11,600
Cash flows from investing activities:		
Capital expenditures	(8,400)	(25,300)
Net cash used in investing activities from continuing operations	(8,400)	(25,300)
Net cash used in investing activities from discontinued operations	—	(600)
Net cash used in investing activities	(8,400)	(25,900)
Cash flows from financing activities:		
Proceeds from revolving debt	442,800	235,000
Payments of long-term debt and finance leases	(72,700)	(121,600)
Payments of revolving debt	—	(165,000)
Repurchase of common stock on behalf of Univision Holdings, Inc	—	(800)
Funding from discontinued operations	—	2,800
Net cash provided by (used in) financing activities from continuing operations	370,100	(49,600)
Net cash used in financing activities from discontinued operations	—	(2,800)
Net cash provided by (used in) financing activities	370,100	(52,400)
Net increase (decrease) in cash, cash equivalents, and restricted cash	358,600	(66,700)
Cash, cash equivalents, and restricted cash, beginning of period	293,100	130,000
Cash, cash equivalents, and restricted cash, end of period	$ 651,700	$ 63,300

See Notes to Consolidated Financial Statements.

UNIVISION COMMUNICATIONS INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2020
(Unaudited)
(Dollars in thousands, except share and per-share data, unless otherwise indicated)

1. Summary of Significant Accounting Policies

Nature of operations—Univision Communications Inc. together with its subsidiaries (the "Company" or "Univision") is the leading media company serving Hispanic America and has operations in two business segments: Media Networks and Radio. The Company is wholly owned by Broadcast Media Partners Holdings, Inc. ("Broadcast Holdings") which is itself owned by Univision Holdings, Inc. ("UHI"), an entity principally owned by Madison Dearborn Partners, LLC, Providence Equity Partners Inc., Saban Capital Group, Inc., TPG Global, LLC, Thomas H. Lee Partners, L.P. and their respective affiliates (collectively, the "Original Sponsors") and Grupo Televisa S.A.B. and its affiliates ("Televisa"). On February 24, 2020 UHI entered into a definitive agreement pursuant to which Searchlight III UTD, L.P., an affiliate of Searchlight Capital Partners LP ("Searchlight"), a global private investment firm will acquire a majority ownership interest in UHI from the Original Sponsors and certain other stockholders of UHI. See Note 21. *Stock Purchase Agreement.*

The Company's Media Networks segment includes the *Univision* and *UniMás* broadcast networks; 10 cable networks, including *Galavisión* and TUDN; and 65 owned or operated television stations in major U.S. Hispanic markets and Puerto Rico. The Media Networks segment also includes digital properties consisting of online and mobile websites and applications including *Univision.com* and *Univision Now*, a direct-to-consumer, on-demand and live streaming subscription service. The Radio segment, now known as the *Uforia Audio Network*, includes 58 owned or operated radio stations; a live event series and the *Uforia* music application which includes the digital audio elements of *Univision.com.* Additionally, the Company incurs corporate expenses separate from the two segments which include general corporate overhead and unallocated, shared company expenses related to human resources, finance, legal and executive services which are centrally managed and support the Company's operating and financing activities. Unallocated assets include the retained interest in the Company's accounts receivable facility, fixed assets and deferred financing costs that are not allocated to the segments.

In April 2019, the Company sold its English-language digital businesses including the *Gizmodo Media Group, The Onion* and *Fusion Digital* collectively referred to as the English-language digital assets or businesses. The *Gizmodo Media Group* was comprised principally of *Gizmodo, Deadspin, Lifehacker, Jezebel, Splinter, The Root, Kotaku, Earther* and *Jalopnik.* The results of the English-language digital businesses have been classified as discontinued operations for all periods presented. See Note 12. *Discontinued Operations* for additional information. Unless indicated otherwise, the information in the notes to the consolidated financial statements relates to the Company's continuing operations. The English-language digital businesses were previously included in the Media Networks segment.

Basis of presentation—The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in the United States for interim financial statements. The interim financial statements are unaudited, but include all adjustments, which are of a normal recurring nature, that management considers necessary to fairly present the financial position, the results of operations and cash flows for such periods. Results of operations of interim periods are not necessarily indicative of results for a full year. These financial statements should be read in conjunction with the audited consolidated financial statements in the Company's 2019 Year End Reporting Package.

Principles of consolidation—The consolidated financial statements include the accounts and operations of the Company and its majority owned and controlled subsidiaries. All intercompany accounts and transactions have been eliminated. Noncontrolling interests have been recognized where a controlling interest exists, but the Company owns less than 100% of the controlled entity. Noncontrolling interest is recorded for the portion of an investment's equity interest which is not controlled by the Company. The Company has consolidated the special purpose entities associated with its accounts receivable facility (See Note 14. *Debt*), and other investments as the Company has determined that they are variable interest entities for which the Company is the primary beneficiary. This determination was based on the fact that these special purpose entities lack sufficient equity to finance their activities without additional support from the Company and, additionally, that the Company retains the risks and rewards of their activities. The consolidation of these special purpose entities does not have a significant impact on the Company's consolidated financial statements.

The Company accounts for investments over which it has significant influence but not a controlling financial interest using the equity method of accounting. Under the equity method of accounting, the Company's share of the earnings and losses of these companies is included in Other in the accompanying consolidated statements of operations of the Company. For certain equity method investments, the Company's share of earnings and losses is based on contractual liquidation rights. For equity investments which are not accounted for under the equity method, the Company measures these investments at fair value, with changes in fair value recognized in earnings. The Company holds equity positions in several small early-stage entities which may not have readily determinable fair values. For such securities, the Company utilizes the measurement alternative to carry these investments at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for identical or similar investments of the same issuer.

Use of estimates—The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses, including impairments, during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the valuation of derivatives, lease assets and liabilities, investments, indefinite lived intangibles and goodwill; amortization of program rights and prepayments; and reserves for income tax uncertainties and other contingencies.

Cash equivalents—The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Fair value measurements—The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 Inputs: Other than quoted prices included in Level 1, inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

Revenue—Advertising—The Company generates advertising revenue from the sale of advertising on broadcast and cable networks, local television and radio stations. The Company also generates revenue from the sale of display, mobile and video advertising, as well as sponsorships, on its websites and mobile applications. In some cases, the network advertising sales are subject to ratings guarantees that require the Company to provide additional advertising time if the guaranteed audience levels are not achieved. Revenues for any audience deficiencies are deferred until the guarantee audience levels are met, by providing additional advertisements. Advertising contracts, which are generally short-term, are billed monthly, with payments due shortly after the invoice date.

For the broadcast and cable networks, the Company sells advertising time in the upfront and scatter markets. In the upfront market, advertisers buy advertising time for the upcoming season in advance, often at discounted rates from the Company's standard rates. In the scatter market, advertisers buy advertising time close to the time when the commercials will be run and often pay a premium to the Company's standard rates. The mix between the upfront and scatter markets is based upon a number of factors, such as pricing, demand for advertising time, type of programming and economic conditions.

Advertising revenue from the sale of advertising on broadcast and cable networks, local television and radio stations is recognized when advertising spots are aired and performance guarantees, if any, are achieved. The achievement of performance guarantees is based on audience ratings from an independent research company. If there is a guarantee to deliver a targeted audience rating, revenues are recognized based on the proportion of the audience rating delivered to the total guaranteed in the contract. For impression-based digital advertising, revenue is recognized when "impressions" are delivered, while revenue from non-impression-based digital advertising is recognized over the period that the advertisements are displayed. "Impressions" are defined as the number of times that an advertisement appears in pages viewed by users of the Company's digital properties. Sponsorship advertisement revenue is recognized ratably over the contract period.

Subscription—Subscription revenue includes fees charged for the right to view the programming content of the Company's broadcast networks, cable networks and stations through a variety of distribution platforms and viewing devices. Subscription revenue is principally comprised of fees received from multichannel video programming distributors ("MVPDs") for carriage of the Company's networks and for authorizing carriage ("retransmission consent") of Univision and UniMás broadcast networks aired on the Company's owned television stations as well as fees for digital content. Typically, the Company's networks and stations are aired by MVPDs pursuant to multi-year carriage agreements that provide for the level of carriage that the Company's networks and stations will receive, and if applicable, for annual rate increases. Subscription revenue is largely dependent on the market demand for the content that the Company provides, the contractual rate-per-subscriber negotiated in the agreements, and the number of subscribers that receive the Company's networks or content. Judgment is sometimes required in circumstances where multiple services have been included in negotiated rates and one or more of those services is considered a distinct performance obligation that should be accounted for separately versus together. Subscriber fees received from cable and satellite MVPDs are recognized as revenue in the period during which services are provided. The Company does not disclose future performance obligations on subscriber contracts. Subscriber fee revenues are net of the amortization of any capitalized amounts paid to MVPDs. The Company defers these capitalized amounts and amortizes such amounts through the term of the agreement.

The Company also receives retransmission consent fees related to television stations that the Company does not own (referred to as "affiliates") that are affiliated with Univision and UniMás broadcast networks. The Company has agreements with its affiliates whereby the Company negotiates the terms of retransmission consent agreements for substantially all of its Univision and UniMás stations with MVPDs. As part of these arrangements, the Company shares the retransmission consent fees received with certain of its affiliates.

<u>Content Licensing</u>—The Company licenses programming content for digital streaming and to other cable and satellite providers. Content licensing revenue is recognized when the content is delivered, and all related obligations have been satisfied. For licenses of internally-produced television programming, each individual episode delivered represents a separate performance obligation and revenue is recognized when the episode is made available to the licensee for exhibition and the license period has begun. All revenue is recognized only when it is probable that the Company will collect substantially all of the consideration for the content licensing.

<u>Other revenue</u>— The Company classifies revenue from contractual commitments (including non-cash advertising and promotional revenue) primarily related to Televisa as Other Revenue. The Company also recognizes other revenue related to support services provided to joint ventures and related to spectrum access in channel sharing arrangements. From time to time the Company enters into transactions involving its spectrum.

Program rights and prepayments—The Company acquires program rights to exhibit on its broadcast and cable networks including television shows, movies, and sports content. The costs incurred to acquire programming are capitalized when (i) the cost of the programming is reasonably determined, (ii) the programming has been accepted in accordance with the terms of the agreement, (iii) the programming is available for its first showing or telecast and (iv) the license period has commenced. The costs of program rights are classified as program prepayments if the rights payments are made before the related economic benefit has been received. The costs of original programs are capitalized when incurred. All program rights and prepayments on the Company's balance sheet are subject to regular recoverability assessments.

Acquired program rights for television shows and movies are amortized over their economic life, which is the period in which an economic benefit is expected to be generated, based on the estimated relative value of each broadcast of the program over the program's life. Acquired program costs for television shows and movies are charged to operating expense as the programs are broadcast. Acquired program costs for multi-year sports programming arrangements are amortized to operating expense, over the license period based on the ratio of current-period direct revenue to estimated remaining total direct revenue over the remaining contract period. In the case of original programming, program costs are amortized to operating expense utilizing an individual-film-forecast-computation method over the title's life cycle based upon the ratio of current period revenue to estimated remaining total expected revenue. Amortization expense of program rights and prepayments is included in "Direct Operating Expense," in the Company's consolidated statement of operations.

The accounting for television shows and movie rights, sports rights, program rights prepayments and capitalized original program costs, requires judgment, particularly in the process of estimating the revenue to be earned over the life of the asset and total costs to be incurred ("ultimate revenue"). These judgments are used in determining the amortization of, and any necessary impairment of, capitalized costs. Estimated ultimate revenue is based on factors such as historical performance of similar programs, actual and forecasted ratings and the genre of the program. If planned usage patterns or estimated relative values by year were to change significantly, amortization of the Company's capitalized costs may be accelerated or slowed. Program rights prepayments and capitalized original program costs are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of these long-lived assets may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to its estimated undiscounted future cash flows expected to be generated by the asset. Such measurements are classified as Level 3 within the fair value hierarchy as key inputs used to value program and sports rights include ratings and undiscounted cash flows. If the carrying amount of an asset exceeds its estimated undiscounted future cash flow, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. In the event the Company decides not to air a program an impairment charge reducing the corresponding asset to zero is recorded to reflect the programming asset abandonment.

Securitizations—Securitization transactions in connection with the Company's accounts receivable facility are classified as debt on the Company's balance sheet and the related cash flows from any advances or reductions are reflected as cash flows from financing activities. The Company sells to investors, on a revolving non-recourse basis, a percentage ownership interest in certain accounts receivable through wholly owned special purpose entities. The Company retains interests in the accounts receivable that have not been sold to investors. The retained interest is subordinated to the sold interest in that it absorbs 100% of any credit losses on the sold receivable interests. The Company services the receivables sold under the facility.

Reclassifications—Certain reclassifications have been made to the prior year financial statements to conform to the current period presentation.

Recently adopted accounting guidance— In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, *Leases*. The amendments in this ASU provides guidance for accounting for leases. This update requires lessees to recognize, on the balance sheet, assets and liabilities for the rights and obligations created by leases of greater than twelve months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. As permitted, the Company elected to early adopt this ASU effective January 1, 2019. A modified retrospective transition method is required for all leases existing at, or entered into before, the date of initial adoption, with the option to use certain transition relief provided by ASU 2019-01. The Company elected to apply the modified retrospective transition provisions at the beginning of the period of adoption and did not retrospectively adjust the prior periods presented. See Note 4. *Leases*.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326)*. The new guidance introduces an approach based on expected losses to estimate credit losses on certain types of financial instruments. It also modifies the impairment model for available-for-sale debt securities and provides for a simplified accounting model for purchased financial assets with credit deterioration since their origination. For public business entities, ASU 2016-13 is effective for fiscal years beginning after December 15, 2019, including interim periods within those years. For other than public business entities, ASU 2016-13 is effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. The Company adopted ASU 2016-13 effective January 1, 2020. The impact of adoption was not material.

In August 2018, the FASB issued ASU 2018-15, *Customers Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is A Service Contract*, which addresses the accounting for implementation costs incurred in a cloud computing arrangement ("CCA") that is a service contract. ASU 2018-15 aligns the accounting for costs incurred to implement a CCA that is a service arrangement with the guidance on capitalizing costs associated with developing or obtaining internal-use software. Specifically, the ASU 2018-15 amends ASC 350 to include in its scope implementation costs of a CCA that is a service contract and clarifies that a customer should apply ASC 350-40 to determine which implementation costs should be capitalized in a CCA that is considered a service contract. The Company adopted ASU 2018-15 effective January 1, 2020. The impact of adopting ASU 2018-15 was not material.

In March 2019, the FASB issued ASU 2019-02, *Improvements to Accounting for Costs of Films and License Agreements for Program Materials*, to align the cost capitalization of episodic content produced for television and streaming services with the accounting for film production costs, including the elimination of the requirement that an episodic television series producer's capitalization of costs be limited to contracted revenues until it has persuasive evidence that a secondary market exists. In addition, ASU 2019-02 requires that the unit of account for impairment testing should be the lowest level for which identifiable cash flows are largely independent of the cash flows of other films or license agreements (i.e., individual film level or film group level) and amends the presentation and disclosure requirements for films and episodic content. ASU 2019-02 makes conforming amendments to Subtopic 920-350, Entertainment—Broadcasters—Intangibles—Goodwill and Other, to align its impairment and presentation and disclosure guidance with the FASB's decisions. The FASB also reached decisions on other items, including amortization, the cash flow presentation of payments for license agreements, transition and transition disclosures. ASU 2019-02 is effective for public business entities for fiscal years beginning after December 15, 2019 and interim periods within those years. For other than public business entities, ASU 2019-02 is effective for fiscal years beginning after December 15, 2020 and interim periods within those fiscal years. Early adoption is permitted. The Company early adopted this guidance as of January 1, 2020. The adoption of this ASU resulted in a reclassification of amortization of program rights and prepayments within the consolidated statements of cash flow. Prior year amounts were not restated.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, which provides temporary optional guidance to ease potential accounting impacts associated with transitioning away from reference rates that are expected to be discontinued, such as interbank offered rates and LIBOR. The guidance includes practical expedients for contract modifications due to reference rate reform. Generally, contract modifications related to reference rate reform may be considered an event that does not require remeasurement or reassessment of a previous accounting determination at the modification date. This guidance is effective immediately and is only available through December 31, 2022. The Company is currently evaluating the potential impact that adopting this guidance could have on its consolidated financial statements.

Subsequent events—The Company evaluates subsequent events and the evidence they provide about conditions existing at the date of the balance sheet as well as conditions that arose after the balance sheet date but before the financial statements are issued. The effects of conditions that existed at the date of the balance sheet date are recognized in the financial statements. Events and conditions arising after the balance sheet date but before the financial statements are issued are evaluated to determine if disclosure is required to keep the financial statements from being misleading. To the extent such events and conditions exist, disclosures are made regarding the nature of events and the estimated financial effects for those events and conditions. For purposes of preparing the accompanying consolidated financial statements and the following notes to these financial statements, the Company evaluated subsequent events through May 8, 2020, the date the financial statements were issued.

2. Cash, Cash Equivalents and Restricted Cash

The following table provides the balance sheet details that sum to the total of cash, cash equivalents and restricted cash in the statement of cash flows.

	March 31, 2020	December 31, 2019	March 31, 2019
Cash and cash equivalents	$ 650,000	$ 291,400	$ 61,200
Restricted cash included in Prepaid expenses and other	200	200	600
Restricted cash included in Other assets	1,500	1,500	1,500
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	$ 651,700	$ 293,100	$ 63,300

Amounts included in restricted cash as of March 31, 2020, December 31, 2019 and March 31, 2019 pertain to certain lease and grant requirements.

3. Property and Equipment

Property and equipment consists of the following:

	March 31, 2020	December 31, 2019
Land and improvements	$ 77,400	$ 76,900
Buildings and improvements	354,400	360,100
Broadcast equipment	416,300	416,300
Furniture, computer and other equipment	241,800	251,100
Land, building, transponder equipment and vehicles financed with finance leases	102,900	103,100
	1,192,800	1,207,500
Accumulated depreciation	(700,200)	(690,700)
Property and equipment	$ 492,600	$ 516,800

Depreciation expense on property and equipment was $26.9 million and $25.2 million, respectively, for the three months ended March 31, 2020 and 2019.

4. Leases

The Company has long-term operating leases expiring on various dates for office, studio, automobile and tower rentals. The Company's operating leases, which are primarily related to buildings and tower properties, have various renewal terms and escalation clauses. The Company also has long-term finance lease obligations for land and facilities and for its transponders that are used to transmit and receive its network signals.

The Company adopted ASC 842 on January 1, 2019 using the modified retrospective approach and did not restate comparative periods. The Company applied the transition package of three practical expedients which allow companies not to reassess whether agreements contain leases, the classification of leases, and the capitalization of initial direct costs. The Company has also made an accounting policy election to recognize lease expense for leases with a term of 12 months or less on a straight-line basis over the lease term and will not recognize any right-of-use assets or lease liabilities for those leases. In addition, the Company elected the practical expedient on not separating lease components from non-lease components.

The primary financial statement impact upon adoption of ASC 842 was the recognition, on a discounted basis, of the Company's expected minimum commitments under noncancelable operating leases as right-of-use assets and obligations on the consolidated balance sheets. The adoption of ASC 842 resulted in the recognition of lease-related assets and liabilities of approximately $215.7 million and $245.0 million, respectively, as of January 1, 2019. At adoption, the right-of-use asset was reduced by cumulative straight-line rent liabilities and tenant improvement of approximately $18.6 million, restructuring-related amounts of $14.8 million, partially offset by other associated increases of approximately $4.1 million. In addition, at adoption, the Company recorded $12.6 million to retained earnings primarily related to a deferred gain associated with a prior-year sale-leaseback transaction.

The Company has numerous operating subleases which have been accounted for by reference to the underlying asset subject to the lease rather than by reference to their associated right-of-use asset. On an ongoing basis, the standard is not expected to have a material impact on the Company's net income or cash flows.

Rent expense related to operating leases are as follow:

	March 31, 2020	March 31, 2019
Operating lease rent (a)	$ 7,300	$ 8,200
Short term lease rents	900	1,700
Total	$ 8,200	$ 9,900

(a) For the three months ended March 31, 2020 and 2019, the Company recorded total sublease income associated with operating leases of $2.6 million and $0.8 million, respectively, of which $0.4 million and $0.4 million for the three months ended March 31, 2020 and 2019, respectively, is included in rent expense.

The Company applied the transition provisions of ASC 842. Discount rates used are consistent with the secured borrowings of companies with similar credit ratings and adjusted for the Company's current issuing rates for senior secured debt. As of March 31, 2020, the weighted average discount rate for the Company's operating leases was 7.66%. As of March 31, 2020, the weighted average remaining lease term for the Company's operating leases is 7.1 years.

Fair value for the impairment of right-of-use assets are determined with Level 3 inputs by using the discounted cash flows associated with the head lease obligation and associated sublease income.

The expected future payments relating to the Company's operating and finance lease liabilities at March 31, 2020 are as follows:

	Operating (a)	Finance
2020	$ 36,400	$ 7,500
2021	44,100	8,800
2022	41,300	11,700
2023	37,400	8,100
2024	30,400	5,000
2025 and thereafter	136,200	72,000
Total minimum payments	$ 325,800	$ 113,100
Less amounts representing interest	98,000	51,300
Present value of minimum payments	$ 227,800	$ 61,800

(a) Excludes sub-leases.

For the three months ended March 31, 2020, cash paid for amounts included in the measurement of lease liabilities was $11.2 million.

5. Intangible Assets

The Company's television and radio broadcast licenses and the related cash flows are expected to continue indefinitely, and as a result the broadcast licenses have an indefinite useful life. The radio and television broadcast licenses are tested for impairment annually or more frequently if circumstances indicate a possible impairment exists. During the three months ended March 31, 2020, due to the forecasted scaling back of advertising purchases as a result of the impact of COVID-19, the Company determined that it was necessary to perform an interim impairment test on its Federal Communications Commission ("FCC") licenses and indefinite-lived intangibles.

Based on ongoing review of market conditions and forecasted long-term growth rates, the Company recognized a non-cash impairment charge of $75.1 million, of which $75.0 million was related to certain radio broadcast licenses and other intangibles, primarily within the Radio segment. There was no corresponding charge in the first quarter of 2019.

Indefinite-Lived Intangible Assets

The fair value of the television and radio broadcast licenses is determined using the direct valuation method which is classified as a Level 3 measurement. Under the direct valuation method, the fair value of the television and radio broadcast licenses is calculated at the network or market level as applicable. The application of the direct valuation method attempts to isolate the income that is properly attributable to the television and radio broadcast licenses alone (that is, apart from tangible and identified intangible assets). It is based upon modeling a hypothetical "greenfield" build-up to a "normalized" enterprise that, by design, lacks inherent goodwill and whose only other assets have essentially been paid for (or added) as part of the build-up process. Under the direct valuation method, it is assumed that rather than acquiring television and radio broadcast licenses as part of a going concern business, the buyer hypothetically develops television and radio broadcast licenses and builds a new operation with similar attributes from inception. Thus, the buyer incurs start-up costs during the build-up phase. Initial capital costs are deducted from the discounted cash flow model which results in a value that is directly attributable to the indefinite-lived intangible assets. The key assumptions used in the direct valuation method are market revenue growth rates, market share, profit margin, duration and profile of the build-up period, estimated start-up capital costs and losses incurred during the build-up period, the risk-adjusted discount rate and terminal values. The market revenue growth rate assumption is impacted by, among other things, factors affecting the local advertising market for local television and radio stations. This data is populated using industry normalized information representing an average FCC license within a market. For the Company's broadcast license impairment testing, significant unobservable inputs utilized included discount rates and terminal growth rates. The fair value of the indefinite-lived intangible assets is classified as a Level 3 measurement.

6. Broadcast Incentive Auction and Channel-Sharing Arrangements

In connection with the FCC broadcast incentive auction held in 2017, the Company agreed to sell certain spectrum assets in New York, Chicago and Philadelphia. Concurrently with the relinquishment of its spectrum assets, the Company entered into channel-sharing agreements with unaffiliated broadcasters in Chicago and Philadelphia for the right to utilize a portion of their spectrum in perpetuity. The Company amortizes these prepaid channel-sharing rights agreements on a straight-line basis over their estimated economic life of 34 years. As of March 31, 2020, $3.5 million is recorded in "Prepaid expenses and other" and $107.4 million is recorded in "Other assets" on the Company's consolidated balance sheet. As of December 31, 2019, $3.5 million is recorded in "Prepaid expenses and other" and $108.3 million is recorded in "Other assets" on the Company's consolidated balance sheet.

Separately, the Company has channel-sharing agreements in San Francisco and Washington D.C. with unaffiliated broadcasters providing them the right to utilize the Company's spectrum in these markets in perpetuity. As of March 31, 2020, $2.3 million is recorded in current "Deferred revenue" and $69.8 million is recorded in noncurrent "Deferred revenue" related to these agreements. As of December 31, 2019, $2.3 million is recorded in current "Deferred revenue" and $70.4 million is recorded in noncurrent "Deferred revenue". The Company will recognize the deferred revenue associated with these channel-sharing rights agreements on a straight-line basis over their estimated economic life of 34 years.

7. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following:

	March 31, 2020	December 31, 2019
Interest rate swap liability	$ 53,100	$ 31,400
Accrued interest	34,700	44,000
Accrued license fees	34,400	37,100
Accrued compensation	23,900	46,100
Program rights obligations	17,800	24,700
Accrued revenue obligations	9,800	49,200
Accrued restructuring, severance and related charges	2,800	6,000
Other accounts payable and accrued liabilities	116,900	119,900
	$ 293,400	$ 358,400

Restructuring, Severance and Related Charges

The Company's restructuring, severance and related charges, net of reversals from continuing operations, for the three months ended March 31, 2020 and 2019 are summarized below.

	Three Months Ended March 31,	
	2020	2019
Restructuring:		
Activities initiated in 2017	$ 3,100	$ 8,900
Severance for individual employees and related charges	1,100	—
Total restructuring, severance and related charges	$ 4,200	$ 8,900

The restructuring activities initiated in 2017 were intended to rationalize costs. Severance for individual employees and related charges relate primarily to severance arrangements with former employees unrelated to the Company's restructuring activities. Due to the disruption caused by the COVID-19 pandemic, beginning in April the Company has initiated a number of cost savings actions, including restructuring, which will result in an anticipated restructuring charge of approximately $15 million in the second quarter and possible other restructuring charges throughout the remainder of 2020.

The following tables present the restructuring charges, net of reversals from continuing operations, by segment during the three months ended March 31, 2020 and 2019.

	Three Months Ended March 31, 2020		
	Employee Termination Benefits	Contract Termination Costs/Other	Total
Charges Resulting From Restructuring Activities Initiated in 2017			
Media Networks	$ (100)	$ 700	$ 600
Radio	—	500	500
Corporate	—	2,000	2,000
Consolidated	$ (100)	$ 3,200	$ 3,100

Charges Resulting From Restructuring Activities Initiated in 2017	Three Months Ended March 31, 2019		
	Employee Termination Benefits	Contract Termination Costs/Other	Total
Media Networks	$ 1,200	$ 4,300	$ 5,500
Radio	700	300	1,000
Corporate	1,600	800	2,400
Consolidated	$ 3,500	$ 5,400	$ 8,900

The following tables present the activity in the restructuring liabilities for the three months ended March 31, 2020 and 2019:

Restructuring Activities Initiated in 2017	Accrued Restructuring as of December 31, 2019	Restructuring Expense	Reversals	Cash Payments and Other	Accrued Restructuring as of March 31, 2020
Employee termination benefits	$ 3,900	$ 100	$ (200)	$ (1,800)	$ 2,000
Contract termination costs/other	1,600	3,200	—	(4,500)	300
Consolidated	$ 5,500	$ 3,300	$ (200)	$ (6,300)	$ 2,300

	Accrued Restructuring as of December 31, 2018	Restructuring Expense	Reversals	Cash Payments and Other	Accrued Restructuring as of March 31, 2019
Restructuring Activities Initiated Prior to 2017					
Contract termination costs/other	$ 1,600	$ —	$ —	$ (1,600)	$ —
Restructuring Activities Initiated in 2017					
Employee termination benefits	26,400	5,200	(1,700)	(13,200)	16,700
Contract termination costs/other	17,700	5,400	—	(23,100)	—
Consolidated	$ 45,700	$ 10,600	$ (1,700)	$ (37,900)	$ 16,700

Employee termination benefits accrued as of March 31, 2020 are expected to be paid within twelve months from March 31, 2020. Contract termination costs primarily relate to lease obligations that will be settled over the remaining lease term. The $2.3 million accrued as of March 31, 2020 related to restructuring activities is included in current liabilities. All of the restructuring activities accrued as of December 31, 2019 is included in current liabilities. The Company had $0.5 million severance accruals in current liabilities as of March 31, 2020 and December 31, 2019.

8. Revenue Contract Balances

Contract Liabilities

For certain contractual arrangements, the Company receives cash consideration prior to providing the associated services resulting in deferred revenue recognition. In addition, the Company has recorded non-cash deferred revenue in connection with an obligation to Televisa to provide future advertising and promotion time. See Note 13. *Related Party Transactions*, under the heading "Televisa."

The following table presents the deferred revenue by segment:

	March 31, 2020	December 31, 2019
Media Networks:		
Televisa deferred advertising	$ 54,300	$ 54,400
Other deferred revenue	19,500	15,000
Total current deferred revenue	73,800	$ 69,400
Media Networks:		
Televisa deferred advertising	$ 247,900	$ 261,300
Channel-sharing deferred revenue	69,800	70,400
Other deferred revenue	1,500	1,600
Total non-current deferred revenue	$ 319,200	$ 333,300
Total deferred revenue	$ 393,000	$ 402,700

During the three months ended March 31, 2020 and 2019, $16.6 million and $17.9 million of revenue was recognized that was included in the deferred revenue balance at December 31, 2019 and 2018, respectively.

Contract Assets

In certain circumstances where the Company enters into a contract with a customer for the provision of services for a defined period of time, the Company defers certain costs incurred in association with the origination of the contract. The deferred costs are generally amortized on a straight-line basis over the related contractual services period. The Company had $155.3 million and $104.9 million of contract assets as of March 31, 2020 and December 31, 2019, respectively, recorded in prepaid expenses and other assets (current and long-term).

9. Program Rights and Prepayments

For the three months ended March 31, 2020 and 2019, the Company recognized non-cash impairment losses of $0.1 million and $1.0 million in continuing operations, respectively, related to the write-down of program rights for content which will no longer be aired or revised estimates of ultimate revenue for certain program assets.

10. Financial Instruments and Fair Value Measures

The carrying amounts of certain financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate their fair value.

Accounts Receivables – The Company’s accounts receivable arise from the sale of advertising on broadcast and cable networks, local television and radio stations that generate advertising revenue. The Company also generates revenue from the sale of display, mobile and video advertising, as well as sponsorships, on its websites and mobile applications. In addition, accounts receivable arise through subscription revenue from fees charged for the right to view the programming content of the Company’s broadcast networks, cable networks and stations through a variety of distribution platforms and viewing devices. Subscription revenue is principally comprised of fees received from MVPDs for carriage of the Company’s networks and for carriage of the Univision and UniMás broadcast networks aired on the Company’s owned television stations as well as fees for digital content.

The Company considers a number of factors in estimating the credit losses associated with its accounts receivable including historical experience, the current financial condition of an individual customer and overall market conditions. The Company evaluates its credit losses on a customer by customer basis.

The following table provides the details of the Company's allowance for doubtful accounts:

	Balance as of December 31, 2019	Provision for expected credit losses	Write-offs	Recoveries	Balance as of March 31, 2020
Allowance for Doubtful Accounts	$ 4,200	$ 7,800	$ (700)	$ —	$ 11,300

	Balance as of December 31, 2018	Provision for expected credit losses	Write-offs	Recoveries	Balance as of March 31, 2019
Allowance for Doubtful Accounts	$ 4,100	$ 2,000	$ (2,900)	$ (400)	$ 2,800

Interest Rate Swaps—The Company uses interest rate swaps to manage its interest rate risk. These interest rate swaps are measured at fair value primarily using significant other observable inputs (Level 2). In adjusting the fair value of its derivative contracts for the effect of nonperformance risk, the Company has considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts, and guarantees. See Note 15. *Interest Rate Swaps*.

The majority of inputs into the valuations of the Company's interest rate swap derivatives include market-observable data such as interest rate curves, volatilities, and information derived from, or corroborated by market-observable data. Additionally, a specific unobservable input used by the Company in determining the fair value of its interest rate derivatives is an estimation of current credit spreads to appropriately reflect both its own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. The inputs utilized for the Company's own credit spread are based on implied spreads from its privately placed debt securities with an established trading market. For counterparties with publicly available credit information, the credit spreads over the London Interbank Offered Rate ("LIBOR") used in the calculations represent implied credit default swap spreads obtained from a third party credit data provider. Once these spreads have been obtained, they are used in the fair value calculation to determine the credit valuation adjustment ("CVA") component of the derivative valuation. Based on the Company's assessment of the significance of the CVA, it is not considered a significant input. The Company has determined that its derivative valuations in their entirety are classified as Level 2 measurements. The Company made an accounting policy election to measure the credit risk of its derivative financial instruments that are subject to master netting agreements on a net basis by counterparty portfolio.

Available-for-Sale Securities—The Company's available-for-sale securities relate to its investment in convertible notes with El Rey Holdings LLC ("El Rey"), an equity method investee. The fair value of the convertible notes is classified as a Level 3 measurement due to the significance of unobservable inputs which utilize company-specific information. See Note 11. *Investments*.

Equity Investments Not Accounted for Under the Equity Method—The fair value of the Entravision Communications Corporation ("Entravision") investment is based on the market value of Entravision's Class A common stock which is a Level 1 input. See Note 11. *Investments*.

Fair Value of Debt Instruments—The carrying value and fair value of the Company's debt instruments as of March 31, 2020 and December 31, 2019 are set out in the following tables. The fair values of the credit facilities are based on market prices (Level 1). The fair values of the senior notes are based on market yield curves based on credit rating (Level 2). The accounts receivable facility carrying value approximates fair value (Level 1).

	As of March 31, 2020	
	Carrying Value	Fair Value
Bank senior secured revolving credit facility maturing in 2022	$ 212,000	$ 212,000
Bank senior secured term loan facility maturing in 2024	4,173,700	3,401,600
Senior secured notes—6.75% due 2022	357,900	331,300
Senior secured notes—5.125% due 2023	1,197,000	1,034,700
Senior secured notes—5.125% due 2025	1,474,400	1,259,300
Accounts receivable facility maturing in 2022	330,800	330,800
	$ 7,745,800	$ 6,569,700

	As of December 31, 2019	
	Carrying Value	Fair Value
Bank senior secured revolving credit facility maturing in 2022	$ —	$ —
Bank senior secured term loan facility maturing in 2024	4,243,900	4,185,600
Senior secured notes—6.75% due 2022	357,900	363,500
Senior secured notes—5.125% due 2023	1,197,000	1,196,600
Senior secured notes—5.125% due 2025	1,474,100	1,457,600
Accounts receivable facility maturing in 2022	100,000	100,000
	$ 7,372,900	$ 7,303,300

11. Investments

The carrying value of the Company's unconsolidated investments is as follows:

	March 31, 2020	December 31, 2019
Equity method investments	$ 16,500	$ 16,500
Entravision	19,000	24,500
Other investments	10,400	10,400
Total investments	$ 45,900	$ 51,400

As of March 31, 2020 and December 31, 2019, investments in equity method investees primarily includes the Company's investment in convertible notes with El Rey.

El Rey

El Rey owns and operates, among other assets, the El Rey television network, a 24-hour English-language general entertainment cable network targeting young adult audiences.

The Company accounts for its equity investment under the equity method of accounting due to the fact that although the Company has less than a 20% ownership interest, it exerts significant influence over El Rey. The Company's share of earnings and losses is recorded based on contractual liquidation rights and not on relative equity ownership. To the extent that the Company's share of El Rey's losses exceeds its equity investment, the Company reduces the carrying value of its investment in El Rey's convertible notes through earnings. As a result, the carrying value of the Company's equity investment in El Rey does not equal its proportionate ownership in El Rey's net assets. During the three months ended March 31, 2020 the Company recognized equity losses of $2.5 million, offset by $2.5 million fair value adjustment related to its investment in El Rey in Other within the Company's consolidated statements of operations. During the three months ended March 31, 2019 the Company recognized equity income of $1.8 million in Other within the Company's consolidated statements of operations related to its investment in El Rey.

The Company has invested a total of approximately $127.4 million in El Rey in the form of convertible notes, consisting of a $72.4 million twelve year note that bears interest at 7.5% issued in May 2013, a $25.0 million twelve year note that bears interest at 7.5% issued in November 2014 and a $30.0 million ten year note that bears interest at 7.4% issued in February 2015. To date the Company has not exercised any of its conversion rights under any of the notes. The El Rey convertible notes are debt securities which are classified as available-for-sale securities. For the three months ended March 31, 2019, the Company recorded unrealized losses of approximately $5.1 million to other comprehensive income to adjust the convertible debt, including all interest, to its estimated fair value of $78.0 million. In the fourth quarter of 2019, the Company recognized an other-than-temporary reduction to the fair value of its investment in El Rey's convertible debt resulting in the reversal of unrealized gains recorded in accumulated other comprehensive income and the recording of a charge of $44.8 million. Subsequent to the other-than-temporary non-cash impairment, the Company stopped recording interest income on the convertible debt. For the three months ended March 31, 2020 and 2019, the Company recorded interest income of zero and $3.3 million, respectively, related to the convertible debt. As of March 31, 2020, and December 31, 2019, the Company's net investment balance in El Rey was $15.1 million.

For a period following December 1, 2020 the Company has a right to call, and the initial majority equity owners have the right to put, in each case at fair market value, a portion of such owners' equity interest in El Rey. For a period following December 1, 2023 the Company has a similar right to call, and such owners have a similar right to put, all of such owners' equity interest in El Rey.

Entravision

The Company holds 9.4 million shares of Entravision Class U shares which have limited voting rights and are not publicly traded but are convertible into Class A common stock upon sale of these shares to a third party. The fair value of the Company's investment of Entravision as of March 31, 2020 is $19.0 million. For the three months ended March 31, 2020 and 2019, the Company recorded a loss (income) on this investment of $5.5 million and ($3.1) million, respectively, in Other within the Company's consolidated statements of operations.

Other Investments

The Company holds equity positions in several small early-stage entities which may not have readily determinable fair values. For the three months ended March 31, 2020 and 2019, the Company recorded a net gain of zero and $3.0 million in Other within the Company's consolidated statements of operations primarily as a result of an investment's financing transaction.

12. Discontinued Operations

In April 2019, the Company sold its English-language digital businesses. In accordance with the applicable accounting guidance for the disposal of long-lived assets and discontinued operations, the results of the Company's English-language digital businesses have been classified as discontinued operations and excluded from both continuing operations and operating segments results for all periods presented. The total proceeds from the sale was approximately $18.9 million.

The following table presents the major classes of the English-language digital businesses' operating results constituting the "Loss from discontinued operations, net of income taxes" in the consolidated statements of operations. The Company recorded impairments of $11.5 million for the three months ended March 31, 2019 associated with right-of-use assets retained from the English-language digital business and included in Other charges including impairment and restructuring.

	Three Months Ended March 31,	
	2020	2019
Revenue	$ —	$ 14,700
Direct operating expenses	—	9,600
Selling, general and administrative expenses	—	8,900
Other charges including impairment and restructuring	—	12,700
Operating loss	—	(16,500)
Other	—	800
Loss before income taxes	—	(17,300)
Benefit for income taxes	—	(4,900)
Loss from discontinued operations, net of income taxes	$ —	$ (12,400)

13. Related Party Transactions

Original Sponsors

Pursuant to the Principal Investor Agreement, dated as of December 20, 2010 entered into by the Company and UHI with the Original Sponsors and Televisa (the "Principal Investor Agreement"), UHI's Board of Directors and any observers to the Board of Directors are entitled to reimbursement by the Company of any reasonable out-of-pocket expenses incurred by such directors or observers in connection with attending any meeting of the Board of Directors or any committee thereof. Pursuant to the Principal Investor Agreement, the Original Sponsors and Televisa are entitled to reimbursement by the Company for any reasonable costs and expenses incurred in connection with (i) exercising or enforcing their rights under UHI's governing documents and (ii) amending UHI's governing documents. There were no significant out-of-pocket expenses for the three months ended March 31, 2020 and 2019.

The Original Sponsors are private investment firms that have investments in companies that may do business with the Company. No individual Original Sponsor has a controlling ownership interest in the Company. The Original Sponsors have controlling ownership interests or ownership interests with significant influence with companies that do business with the Company. Upon completion of the transaction with Searchlight, the Original Sponsors will no longer own an interest in UHI, see Note 21. *Stock Purchase Agreement*.

UHI has a consulting arrangement with an entity controlled by the Chairman of the Board of Directors. The Company did not recognize any expense related to this arrangement in the three months ended March 31, 2020 and 2019.

Televisa

Program License Agreement (as amended, the "PLA")

Pursuant to the program license agreement entered into effective 2011 (the "2011 PLA") and a predecessor program license agreement (the "Prior PLA") between Televisa and the Company, the Company committed to provide future advertising and promotion time at no charge to Televisa, with a cumulative historical fair value of $970.0 million. This obligation remains in effect following the latest amendment and restatement in 2015 subject to an annual right to reduce the minimum amount committed by the Company for each respective year. The book value remaining under these commitments as of March 31, 2020 and December 31, 2019 was $302.2 million and $315.7 million, respectively, based on the fair value of the Company's advertising commitments at the dates the Prior PLA and the 2011 PLA were entered into. These amounts are recorded as deferred revenue (see Note 8. *Revenue Contract Balances*). For the three months ended March 31, 2020 and 2019, the Company satisfied its commitment for the period resulting in revenue recognized of $13.5 million and $10.5 million, respectively. While the Company is committed to provide future advertising and promotion time at no charge to Televisa for the duration of the PLA, the deferred revenue only extends through 2025 which was the earliest fixed date for termination of the PLA at the time the commitments were entered into. The deferred revenue is earned and revenue is recognized as advertising revenue as the related advertising and promotion time is provided. The advertising revenue from Televisa will be recognized into revenue through 2025 as the Company provides the advertising to satisfy the commitments.

Televisa receives royalties based on 16.45% of substantially all of the Company's Spanish language media networks revenue, until the expiration of the PLA. Additionally, Televisa receives an incremental 2.0% in royalty payments above the contractual revenue base ($1.63 billion). In addition to the royalties, the Company pays Televisa amounts to obtain the rights to certain Mexican First Division soccer leagues games not owned or controlled by Televisa. The term of the PLA will continue until 7.5 years after Televisa has voluntarily sold a specified portion of its shares of UHI's common stock.

For the three months ended March 31, 2020 and 2019, the Company's license fees to Televisa were $93.0 million and $83.1 million, respectively. The license fees are included in direct operating expenses on the consolidated statement of operations. The Company had accrued license fees to Televisa of $34.4 million and $37.1 million as of March 31, 2020 and December 31, 2019, respectively, which are included in accounts payable and accrued liabilities on the consolidated balance sheets.

Other Televisa Transactions

From time to time an affiliate of the Company enters into licensing agreements with Televisa to provide Televisa the right to exhibit certain Spanish-language programming in Latin America outside of Mexico. In addition, the Company and Televisa have established a cost-sharing arrangement for certain sports properties. As of March 31, 2020 and December 31, 2019, the Company has a payable to Televisa of $0.7 million related to sports-related production costs.

Univision Holdings, Inc.

During the three months ended March 31, 2020 and 2019, the Company repurchased common stock on behalf of UHI of zero and $0.8 million, respectively.

El Rey

In connection with its investment in El Rey, the Company provides certain distribution, advertising sales and back office/technical services to El Rey for fees generally based on incremental costs incurred by the Company in providing such services, including compensation costs for certain dedicated Univision employees performing such services, an allocation of certain Univision facilities costs and a use fee during the useful life of certain Univision assets used by El Rey in connection with the provision of the services. The Company also receives an annual $3.0 million management fee which is recorded as a component of revenue. The Company has also agreed to provide certain English-language soccer programming in exchange for a license fee and promotional support to the El Rey television network. During the three months ended March 31, 2020 and 2019, the Company recognized $1.3 million and $3.2 million, respectively, for the management fee and reimbursement of costs. As of March 31, 2020, and December 31, 2019, the Company has a receivable of $0.3 million and $0.8 million, respectively, related to these management fees and reimbursement of costs.

14. Debt

Long-term debt consists of the following:

	March 31, 2020	December 31, 2019
Bank senior secured revolving credit facility maturing in 2022	$ 212,000	$ —
Bank senior secured term loan facility maturing in 2024	4,173,700	4,243,900
Senior secured notes—6.75% due 2022	357,900	357,900
Senior secured notes—5.125% due 2023	1,197,000	1,197,000
Senior secured notes—5.125% due 2025	1,474,400	1,474,100
Accounts receivable facility maturing in 2022	330,800	100,000
Finance lease obligations	61,800	63,500
	7,807,600	7,436,400
Less current portion	(449,400)	(81,600)
Long-term debt and finance lease obligations	$ 7,358,200	$ 7,354,800

Approximately $22.2 million and $23.6 million of deferred financing costs are presented as a direct reduction of the Company's long-term debt in the consolidated balance sheet as of March 31, 2020 and December 31, 2019, respectively. At March 31, 2020 and December 31, 2019, Other assets includes $3.5 million and $3.9 million, respectively, of deferred financing costs related to the Company's revolving credit facilities. The following table details the principal and carrying values of the Company's long-term debt as of March 31, 2020. The difference between principal and carrying value is made up of the $22.2 million of deferred financing costs discussed above partially offset by $2.5 million of net unamortized premium and discount.

	Principal	Unamortized (Deferred Financing Costs) and Premium/(Discount)	Carrying Value
Bank senior secured revolving credit facility maturing in 2022	$ 212,000	$ —	$ 212,000
Bank senior secured term loan facility maturing in 2024	4,187,700	(14,000)	4,173,700
Senior secured notes—6.75% due 2022	357,800	100	357,900
Senior secured notes—5.125% due 2023	1,197,800	(800)	1,197,000
Senior secured notes—5.125% due 2025	1,479,400	(5,000)	1,474,400
Accounts receivable facility maturing in 2022	330,800	—	330,800
Finance lease obligations	61,800	—	61,800
	$ 7,827,300	$ (19,700)	$ 7,807,600

On March 20, 2020, due to market uncertainties in the global markets resulting from the COVID-19 pandemic, the Company drew down approximately $442.8 million on its available bank and accounts receivable revolving facilities. The proceeds from the draw downs may in the future be used for working capital, general corporate or other purposes permitted by the facilities.

At March 31, 2020, there was $212.0 million outstanding on the bank revolving credit facility and after giving effect to these borrowings, the Company had $638.0 million available under its bank revolving credit facility. For the three months ended March 31, 2020, the effective interest rate related to the Company's senior secured term loans in total was 5.01% including the impact of the interest rate swaps and 4.49% excluding the impact of the interest rate swaps.

The accounts receivable facility is comprised of a $100.0 million term component and a $300.0 million revolving component subject to the availability of qualifying receivables. At March 31, 2020, the amount outstanding under the accounts receivable facility was $330.8 million and the interest rate was 2.49%. In addition, at March 31, 2020 there was $69.2 million outstanding letters of credit against the accounts receivable revolving component resulting in no amounts being available under this facility.

Recent Financing Transactions

On April 28, 2020, the Company issued $370.0 million aggregate principal amount of 9.50% senior secured notes due 2025 at an original issuance discount of 99.026%, plus accrued and unpaid interest from April 28, 2020. The notes will mature on May 1, 2025. The Company will pay interest on the notes semi-annually in arrears on May 1 and November 1 of each year, commencing on November

1, 2020. On April 28, 2020, the Company delivered a notice of redemption to holders of its 6.75% senior secured notes due 2022 to redeem all $357.8 million aggregate principal amount outstanding. The redemption price for the notes will be equal to 101.125% of the principal amount of notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. The Company intends to use the net proceeds from the issuance of the 9.50% senior secured notes due 2025 to fund the redemption of the senior secured notes due 2022, including any related fees and expenses.

15. Interest Rate Swaps

The Company's objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish these objectives, the Company primarily uses interest rate swaps as part of its interest rate risk management strategy. These interest rate swaps involve the receipt of variable amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. The Company has agreements with each of its interest rate swap counterparties which provide that the Company could be declared in default on its derivative obligations if repayment of the underlying indebtedness is accelerated by the lender due to the Company's default on the indebtedness. The Company does not enter into derivatives for trading purposes.

Derivatives Designated as Hedging Instruments

As of March 31, 2020, the Company has five effective cash flow hedges. During the second quarter of 2019, the Company entered into three new interest rate swaps which effectively convert the interest payable on $750 million of variable rate debt into fixed rate debt, at a weighted-average rate of approximately 1.86% through June 2021. On February 28, 2020, the Company's two interest rate swaps which effectively converted the interest payable on $2.5 billion of variable rate debt into fixed rate debt, at a weighted-average rate of approximately 2.25% matured. Concurrent with the maturity of these two swaps, two forward-starting interest rate swaps that convert the interest payable on $2.5 billion of variable rate debt into fixed rate debt, at a weighted-average rate of approximately 2.94% became effective and will mature in February 2024. These two forward-starting interest rate swaps were entered into to extend the Company's hedge of LIBOR with a 1% floor from February 2020 through February 2024. On March 11, 2020, the Company novated a $1.0 billion variable rate debt into fixed rate debt swap with Deutsche Bank AG which was effective on February 28, 2020 and which matures on February 28, 2024 and replaced the counter-party with CitiBank N.A. No terms of the underlying swap were changed.

	Number of Instruments	Current Notional (in whole dollars)
Interest Rate Derivatives		
Interest Rate Swap Contracts (current through June 2021)	3	$ 750,000,000
Interest Rate Swap Contracts (February 2020 through February 2024)	2	$ 2,500,000,000

Impact of Interest Rate Derivatives on the Consolidated Financial Statements

The table below presents the fair value of the Company's derivative financial instruments, as well as their classification on the consolidated balance sheets:

	Consolidated Balance Sheet Location	As of March 31, 2020	As of December 31, 2019
Derivatives Designated as Hedging Instruments			
Interest Rate Swap Contracts—Current Liabilities	Accounts payable and accrued liabilities	$ 53,100	$ 31,400
Interest Rate Swap Contracts—Non-Current Liabilities	Other long-term liabilities	$ 113,100	$ 85,700

The Company does not offset the fair value of interest rate swaps in an asset position against the fair value of interest rate swaps in a liability position on the balance sheet. Due to the liability position of the Company's interest rate swaps as of March 31, 2020 and December 31, 2019, if the Company had presented the fair value of the interest rate swaps on a net basis, there would be no change to the consolidated balance sheets. As of March 31, 2020, the Company has not posted any collateral related to any of the interest rate swap contracts. If the Company had breached any of these default provisions at March 31, 2020, it could have been required to settle its obligations under the agreements at their termination value of $190.1 million.

The table below presents the effect of the Company's derivative financial instruments designated as cash flow hedges on the consolidated statements of operations and the consolidated statements of comprehensive income for the three months ended March 31, 2020 and 2019:

Derivatives Designated as Cash Flow Hedges	Amount of Gain or (Loss) Recognized in Other Comprehensive Income (Loss) on Derivative	Location of Gain or (Loss) Reclassified from AOCLI into Income	Amount of Gain or (Loss) Reclassified from AOCLI into Income[(a)]	Total Interest Expense on the Statements of Operations
For the three months ended March 31, 2020	$ (54,700)	Interest expense	$ 4,700	$ 95,100
For the three months ended March 31, 2019	$ (35,200)	Interest expense	$ 2,900	$ 97,100

(a) The amount of gain or (loss) reclassified from accumulated other comprehensive (loss) income ("AOCLI") into income includes amounts that have been reclassified related to current effective hedging relationships as well as amortizing AOCLI amounts related to discontinued cash flow hedging relationships which matured on February 28, 2020. For the three months ended March 31, 2020 and 2019, the Company amortized approximately $1.0 million and $1.5 million, respectively, of unrealized gains on hedging activities from AOCLI into interest expense.

During the next twelve months, from March 31, 2020, approximately $53.5 million of net unrealized losses will be reclassified from AOCLI to interest expense (inclusive of the amounts being amortized related to discontinued cash flow hedging relationships).

16. Accumulated Other Comprehensive Income (Loss)

Comprehensive income (loss) is reported in the consolidated statements of comprehensive income (loss) and consists of net income (loss) and other gains (losses) that affect stockholder's equity but, under GAAP, are excluded from net income (loss). For the Company, items included in other comprehensive income (loss) are foreign currency translation adjustments, unrealized gain (loss) on hedging activities, the amortization of unrealized (gain) loss on hedging activities and unrealized gain (loss) on available for sale securities.

The following tables present the changes in accumulated other comprehensive (loss) income by component for the three months ended March 31, 2020 and 2019, respectively. All amounts are net of tax.

	Gains and (Losses) on Hedging Activities	Gains and (Losses) on Available-for-Sale Securities	Currency Translation Adjustment	Total
Balance as of December 31, 2018	$ (52,900)	$ 22,300	$ (4,900)	$ (35,500)
Other comprehensive (loss) income before reclassifications	(27,300)	(3,800)	200	(30,900)
Amounts reclassified from accumulated other comprehensive loss	(1,000)	—	—	(1,000)
Net other comprehensive (loss) income	(28,300)	(3,800)	200	(31,900)
Balance as of March 31, 2019	$ (81,200)	$ 18,500	$ (4,700)	$ (67,400)

	Gains and (Losses) on Hedging Activities	Gains and (Losses) on Available-for-Sale Securities	Currency Translation Adjustment	Total
Balance as of December 31, 2019	$ (129,800)	$ —	$ (4,700)	$ (134,500)
Other comprehensive loss before reclassifications	(36,400)	—	(1,800)	(38,200)
Amounts reclassified from accumulated other comprehensive loss	(700)	—	—	(700)
Net other comprehensive loss	(37,100)	—	(1,800)	(38,900)
Balance as of March 31, 2020	$ (166,900)	$ —	$ (6,500)	$ (173,400)

The following tables present the activity within other comprehensive income (loss) and the tax effect related to such activity.

	Pretax	Tax (provision) benefit	Net of tax
Three Months Ended March 31, 2019			
Unrealized loss on hedging activities	$ (36,800)	$ 9,500	$ (27,300)
Amortization of unrealized gain on hedging activities	(1,300)	300	(1,000)
Unrealized loss on available-for-sale securities	(5,100)	1,300	(3,800)
Currency translation adjustment	200	—	200
Other comprehensive loss	$ (43,000)	$ 11,100	$ (31,900)
Three Months Ended March 31, 2020			
Unrealized loss on hedging activities	$ (49,100)	$ 12,700	$ (36,400)
Amortization of unrealized gain on hedging activities	(900)	200	(700)
Currency translation adjustment	(1,800)	—	(1,800)
Other comprehensive loss	$ (51,800)	$ 12,900	$ (38,900)

During the three months ended March 31, 2020, unrealized loss on hedging activities is primarily due to the increase in one-month LIBOR rates for interest rate swaps. Amounts reclassified from accumulated other comprehensive loss related to hedging activities are recorded to interest expense. See Note 15. *Interest Rate Swaps* for further information related to amounts reclassified from accumulated other comprehensive (loss) income.

17. Income Taxes

The Company's current estimated effective tax rate as of March 31, 2020 was approximately 24%, which differs from the statutory rate, primarily due to permanent tax differences and discrete items, partially offset by the impact of state and local taxes. The Company's estimated effective tax rate as of March 31, 2019 was approximately 24%, which differed from the statutory rate, primarily due to permanent tax differences and discrete items, partially offset by the impact of state and local taxes.

The effective tax rate is based on expected income or losses, statutory tax rates and tax planning opportunities applicable to the Company. For interim financial reporting, the Company estimates the annual tax rate based on projected taxable income or loss for the full year and records a quarterly income tax provision or benefit in accordance with the anticipated annual rate adjusted for discrete items. As the year progresses, the Company refines the estimates of the year's taxable income or loss as new information becomes available, including year-to-date financial results. This continual estimation process often results in a change to the expected effective tax rate for the year. When this occurs, the Company adjusts the income tax provision or benefit during the quarter in which the change in estimate occurs so that the year-to-date provision or benefit reflects the expected annual tax rate. Significant judgment is required in determining the effective tax rate and in evaluating the tax positions.

In response to COVID-19, President Donald Trump signed into law the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") on March 27, 2020. The CARES Act provides numerous tax and other stimulus measures. The Company has estimated the impact of the CARES Act on its consolidated financial statements. The Company anticipates it may benefit from the technical correction for qualified leasehold improvements, which changes 39-year property to 15-year property, be eligible for 100% tax bonus depreciation, acceleration of refunds of previously generated Alternative Minimum Tax credits and the creation of certain refundable employee retention credits. Where certain tax provisions of the CARES Act are determined to be applicable and estimates are refined following the completion of the Company's assessment, these may result in cash refunds and an income tax benefit recorded in the Company's consolidated statements of operations.

18. Share-Based Compensation

On December 1, 2010, UHI established the 2010 Equity Incentive Plan, which was adopted to attract, retain and motivate officers and employees of, consultants to, and non-employee directors of the Company.

During the three months ended March 31, 2020 and 2019, the Company recorded share-based compensation expense of $6.0 million and $4.7 million, respectively.

The Company did not grant any stock options during the three months ended March 31, 2020. Approximately 80% of the Company's stock options vest over periods of between three and five years. The remaining 20% of stock options vest only upon a change in control and therefore no compensation expense is recorded until such event occurs. As of March 31, 2020, total unrecognized compensation cost related to unvested stock option awards that will vest upon satisfaction of service conditions is $7.9 million, which is expected to be recognized over a weighted-average period of 1.2 years.

The Company did not grant any restricted stock unit awards during the three months ended March 31, 2020. The Company's outstanding restricted stock unit awards vest over periods of between three and four years from the date of grant. The fair value of restricted stock units awarded to employees is measured at estimated intrinsic value at the date of grant. Total unrecognized compensation cost related to unvested restricted stock units as of March 31, 2020 is $16.8 million, which is expected to be recognized over a weighted-average period of 1.6 years.

19. Contingencies and Commitments

Contingencies

The Company maintains insurance coverage for various risks, where deemed appropriate by management, at rates and terms that management considers reasonable. The Company has deductibles for various risks, including those associated with windstorm and earthquake damage. The Company self-insures its employee medical benefits and its media errors and omissions exposures. In management's opinion, the potential exposure in future periods, if uninsured losses were to be incurred, should not be material to the consolidated financial position or results of operations.

The Company is subject to various lawsuits and other claims in the normal course of business. In addition, from time to time, the Company receives communications from government or regulatory agencies concerning investigations or allegations of noncompliance with law or regulations in jurisdictions in which the Company operates.

The Company establishes reserves for specific liabilities in connection with regulatory and legal actions that the Company deems to be probable and estimable. The Company believes the amounts accrued in its financial statements are sufficient to cover all probable liabilities. In other instances, the Company is not able to make a reasonable estimate of any liability because of the uncertainties related to the outcome and/or the amount or range of loss. The Company does not expect that the ultimate resolution of pending regulatory and legal matters in future periods will have a material effect on the Company's financial condition or result of operations.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States and abroad. During the three months ended March 31, 2020, due to the forecasted scaling back of advertising purchases as a result of the impact of COVID-19, the Company determined that it was necessary to perform an interim impairment test on its FCC licenses and indefinite-lived intangibles and recognized a non-cash impairment charge of $75.0 million as a result of this review, see Note 5. *Intangible Assets.* Furthermore, the Company has been forced to vacate many of its offices and layoff a significant number of employees, which has led to a more difficult operating environment. Due to the disruption caused by the COVID-19 pandemic, beginning in April the Company has initiated a number of cost savings actions, including restructuring, which will result in an anticipated restructuring charge of approximately $15 million in the second quarter and possible other restructuring charges throughout the remainder of 2020. Due to the uncertain and rapid nature of developments related to COVID-19, the Company cannot estimate the impact on its business, financial condition or near or longer-term financial or operational results with certainty, except as expressly specified.

In July 2017, the Financial Conduct Authority (the authority that regulates LIBOR) announced it intends to stop compelling banks to submit rates for the calculation of LIBOR after 2021. The Alternative Reference Rates Committee ("ARRC") has proposed that the Secured Overnight Financing Rate ("SOFR") is the rate that represents best practice as the alternative to USD-LIBOR for use in derivatives and other financial contracts that are currently indexed to USD-LIBOR. ARRC has proposed a paced market transition plan to SOFR from USD-LIBOR and organizations are currently working on industry wide and company specific transition plans as it relates to derivatives and cash markets exposed to USD-LIBOR. The Company has material contracts that are indexed to USD-LIBOR and is monitoring this activity and evaluating the related risks.

Commitments

In the normal course of business, the Company enters into multi-year contracts for programming content, sports rights, research and other service arrangements and in connection with joint ventures.

The Company has long-term operating leases expiring on various dates for office, studio, automobile and tower rentals. The Company's operating leases, which are primarily related to buildings and tower properties, have various renewal terms and escalation clauses. The Company also has long-term finance lease obligations for land and facilities and for its transponders that are used to transmit and receive its network signals.

20. Segments

The Company's segments have been determined in accordance with the Company's internal management structure, which is organized based on operating activities that are reviewed by the Company's chief operating decision maker. The Company evaluates performance based on several factors. In addition to considering primary financial measures including revenue, management evaluates operating performance for planning and forecasting future business operations by considering Adjusted OIBDA (as defined below). Adjusted OIBDA eliminates the effects of certain items the Company does not consider indicative of its core operating performance.

Based on its customers and type of content, the Company has operations in two segments, Media Networks and Radio. The Company's Media Networks segment includes the *Univision* and *UniMás* broadcast networks; 10 cable networks, including *Galavisión* and *TUDN*; and the Company's owned or operated television stations. The Media Networks segment also includes digital properties consisting of online and mobile websites and applications including *Univision.com* and *Univision Now*, a direct-to-consumer, on-demand and live streaming subscription service. In April 2019, the Company sold its English-language digital businesses. The results of the English-language digital businesses have been classified as discontinued operations for all periods presented.

The Radio segment, now known as the *Uforia Audio Network*, includes the Company's owned or operated radio stations; a live event series; and the *Uforia* music application which includes the digital audio elements of *Univision.com.* Additionally, the Company incurs corporate expenses separate from the two segments which include general corporate overhead and unallocated, shared company expenses related to human resources, finance, legal, other corporate departments and executive function which are centrally managed and support the Company's operating and financing activities. Unallocated assets include the retained interest in the Company's accounts receivable facility, fixed assets and deferred financing costs that are not allocated to the segments. The segments have separate financial information which is used by the chief operating decision maker to evaluate performance and allocate resources. The segment results reflected in the disclosures below illustrate how management evaluates its financial performance and allocates resources and are not necessarily indicative of the results of operations that each segment would have achieved had they operated as stand-alone entities during the periods presented.

Adjusted OIBDA represents operating income before depreciation, amortization and certain additional adjustments to operating income. In calculating Adjusted OIBDA the Company's operating income is adjusted for share-based compensation and other non-cash charges, restructuring and severance charges, as well as other non-operating related items.

Adjusted OIBDA is not, and should not be used as, an indicator of or alternative to operating income or income from continuing operations as reflected in the consolidated financial statements. It is not a measure of financial performance under GAAP and it should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. Since the definition of Adjusted OIBDA may vary among companies and industries, it should not be used as a measure of performance among companies.

Segment information on a continuing operations basis is presented in the following table:

	Three Months Ended March 31,	
	2020	2019
Disaggregated revenues:		
Advertising:		
Media Networks	$ 280,300	$ 287,000
Radio	48,800	48,800
Total	$ 329,100	$ 335,800
Subscription:		
Media Networks	$ 282,500	$ 238,200
Total	$ 282,500	$ 238,200
Content licensing:		
Media Networks	$ 19,000	$ 9,200
Total	$ 19,000	$ 9,200
Other:		
Media Networks	$ 27,500	$ 26,200
Radio	2,300	2,500
Total	$ 29,800	$ 28,700
Revenue:		
Media Networks	$ 609,300	$ 560,600
Radio	51,100	51,300
Consolidated	$ 660,400	$ 611,900
Depreciation and amortization:		
Media Networks	$ 34,700	$ 31,800
Radio	1,200	1,400
Corporate	5,100	5,200
Consolidated	$ 41,000	$ 38,400
Operating income (loss):		
Media Networks	$ 226,400	$ 169,200
Radio	(72,600)	4,200
Corporate	(30,900)	(34,100)
Consolidated	$ 122,900	$ 139,300
Adjusted OIBDA:		
Media Networks	$ 264,800	$ 213,000
Radio	4,700	6,800
Corporate	(18,400)	(15,500)
Consolidated	$ 251,100	$ 204,300
Capital expenditures:		
Media Networks	$ 5,100	$ 20,800
Radio	—	300
Corporate	3,300	4,200
Consolidated	$ 8,400	$ 25,300

	March 31, 2020	December 31, 2019
Total assets:		
Media Networks	$ 7,795,900	$ 7,767,900
Radio	474,500	554,700
Corporate	1,339,500	998,100
Consolidated	$ 9,609,900	$ 9,320,700

Presented below on a consolidated basis is a reconciliation of income from continuing operations, which is the most directly comparable GAAP financial measure, to the non-GAAP measure Adjusted OIBDA:

	Three Months Ended March 31,	
	2020	2019
Income from continuing operations	$ 11,700	$ 36,900
Provision for income taxes	3,700	11,600
Income before income taxes	$ 15,400	$ 48,500
Other expense (income):		
Interest expense	95,100	97,100
Interest income	(700)	(3,300)
Amortization of deferred financing costs	1,900	1,900
Other[(a)]	11,200	(4,900)
Operating income	122,900	139,300
Depreciation and amortization	41,000	38,400
Impairment loss[(b)]	75,100	5,600
Restructuring, severance and related charges	4,200	8,900
Loss on dispositions[(c)]	600	6,400
Share-based compensation	6,000	4,700
Other adjustments to operating income[(d)]	1,300	1,000
Adjusted OIBDA	$ 251,100	$ 204,300

(a) Other is primarily comprised of (income) loss arising from the Company's investments and costs related to the acquisition of a majority ownership interest in UHI in 2020.

(b) Impairment loss is primarily comprised of non-cash impairments related to the write-down of broadcast license and other intangibles primarily in the Radio segment and write-down of program rights due to decisions not to air certain content or revised estimates of ultimate revenue for certain program assets in the Media Networks segment. Impairment loss in 2020 is related to an interim impairment test on the Company's FCC licenses and indefinite-lived intangibles as a result of COVID-19. Impairment loss in 2019 is primarily comprised of non-cash impairments related to operating lease right-of-use assets and write-down of program rights due to decisions not to air certain content or revised estimates of ultimate revenue.

(c) Loss on dispositions primarily relates to the sale of real estate assets and write-off of facility-related assets.

(d) Other adjustments to operating income is primarily comprised of fees related to the review of strategic options and letter of credit fees.

The Company is providing the supplemental information below which is the portion of the Company's revenue equal to the royalty base used to determine the license fee payable by the Company under the program license agreement with Televisa, as set forth below:

	Three Months Ended March 31,	
	2020	2019
Consolidated Revenue	$ 660,400	$ 611,900
Less:		
Radio segment revenue (including Radio digital revenue)	(51,100)	(51,300)
Other adjustments to arrive at revenue included in royalty base	(37,200)	(44,000)
Royalty base used to calculate Televisa license fee	$ 572,100	$ 516,600

21. Stock Purchase Agreement

Pursuant to a Stock Purchase Agreement dated February 24, 2020, the members of the Original Sponsors, the bank investors, the management stockholders and all other stockholders of UHI other than Televisa and its affiliates have agreed to sell all of their shares of Class A and Class B common stock of UHI (constituting a majority ownership interest in UHI) to Searchlight III UTD, L.P. Televisa and its affiliates are neither selling nor acquiring any shares in the transaction, and Televisa will retain its current ownership interests. In addition, the terms of the PLA and other commercial agreements with Televisa will remain unchanged. The transaction, which is subject to customary closing conditions, including receipt of regulatory approvals, is expected to close later in 2020.

UNIVISION COMMUNICATIONS INC. AND SUBSIDIARIES

Management's Discussion and Analysis of Financial Condition and Results of Operations

Executive Summary

Univision Communications Inc., together with its wholly-owned subsidiaries (the "Company," "Univision," "we," "us" and "our"), operates its business through two segments: Media Networks and Radio.

- ***Media Networks:*** The Company's Media Networks segment includes 12 broadcast and cable networks and more than 40 digital and mobile properties. The Company operates two broadcast television networks. *Univision Network* is among the most-watched broadcast television networks among U.S. Hispanics, available in approximately 79% of U.S. Hispanic television households. *UniMás* is among the leading Spanish-language broadcast television networks. In addition, the Company operates 10 cable networks, including *Galavisión,* the most-watched Spanish-language entertainment cable network among U.S. Hispanics, and *TUDN,* the most-watched Spanish-language sports cable network among U.S. Hispanics. *TUDN* accounts for a majority of soccer viewing in the U.S. regardless of language. The Company owns or operates 65 local television stations, including stations located in 20 of the 25 largest markets in the U.S., which is more owned or operated local television stations than any of the top four English-language broadcast networks. In addition, the Company provides programming to 70 broadcast network station affiliates. 62% of *Univision Network* distribution and 57% of *UniMás* distribution are through owned and operated networks. The Company's digital properties consist of online and mobile websites and applications, which generated approximately 434 million average monthly page views during the three months ended March 31, 2020. *Univision.com* is the Company's flagship digital property and is the #1 most visited Spanish-language website among U.S. Hispanics for approximately the last four years, and *Univision Now* is the Company's direct-to-consumer, on-demand and live streaming subscription service. For the three months ended March 31, 2020, the Media Networks segment accounted for approximately 92% of the Company's revenue.

- ***Radio:*** The Company's Radio segment, now known as *Uforia Audio Network,* has the largest Spanish-language radio group in the U.S., and its stations are frequently ranked #1 or #2 among Spanish-language stations in many major markets. The Company owns or operates 58 radio stations, including stations in 14 of the top 25 designated market areas ("DMAs") and Puerto Rico. The Company's radio stations reach 14 million listeners per week and cover approximately 68% of the U.S. Hispanic population. The Radio segment also includes a live event series and the Company's *Uforia* music application featuring multimedia music content, which includes a total of 85 radio stations (including 19 exclusive digital stations and 23 affiliate stations), over 300 playlists categorized by mood and a library of more than 40 million songs. For the three months ended March 31, 2020, the Radio segment accounted for approximately 8% of the Company's revenue.

Additionally, the Company incurs and manages shared corporate expenses related to human resources, finance, legal and executive functions and certain assets separately from its two segments.

The sale of the English-language digital assets was completed in April 2019. Unless indicated otherwise, this discussion and analysis relates to the Company's continuing operations. The English-language digital businesses were previously included in the Media Networks segment.

How Performance of the Business is Assessed

In assessing its performance, the Company uses a variety of financial and operational measures, including revenue, Adjusted OIBDA, Bank Credit Adjusted OIBDA and income from continuing operations.

Revenue

Ratings

The Company's advertising and subscription revenue is impacted by the strength of its television and radio ratings. The ratings of the Company's programs, which are an indication of market acceptance, directly affect its ability to generate advertising revenue during the airing of the program. In addition, programming with greater market acceptance is more likely to generate estimated incremental revenue through increases in the subscription fees that the Company is able to negotiate with multichannel video programming distributors ("MVPDs").

The Company's ratings and consequently its ability to generate advertising revenue are also affected by the scope of distribution of the Company's networks on these MVPDs. The Company's distribution revenue was negatively impacted by the temporary lapse of its agreement with the DISH Network Corporation ("DISH") during the period from July 2018 through March 26, 2019. On March 26, 2019 the Company announced a long-term agreement for carriage of Univision networks and stations on DISH's Digital Basic Services ("DBS") system.

Advertising— The Company generates advertising revenue from the sale of advertising on broadcast and cable networks, local television and radio stations. The Company also generates revenue from the sale of display, mobile and video advertising, as well as sponsorships, on its websites and mobile applications. In some cases, the network advertising sales are subject to ratings guarantees that require the Company to provide additional advertising time if the guaranteed audience levels are not achieved. Revenues for any audience deficiencies are deferred until the guarantee audience levels is met, by providing additional advertisements. Advertising contracts, which are generally short-term, are billed monthly, with payments due shortly after the invoice date.

For the broadcast and cable networks, the Company sells advertising time in the upfront and scatter markets. In the upfront market, advertisers buy advertising time for the upcoming season in advance, often at discounted rates from the Company's standard rates. In the scatter market, advertisers buy advertising time close to the time when the commercials will be run and often pay a premium to the Company's standard rates. The mix between the upfront and scatter markets is based upon a number of factors, such as pricing, demand for advertising time, type of programming and economic conditions.

Advertising revenue from the sale of advertising on broadcast and cable networks, local television and radio station is recognized when advertising spots are aired and performance guarantees, if any, are achieved. The achievement of performance guarantees is based on audience ratings from an independent research company. If there is a guarantee to deliver a targeted audience rating, revenues are recognized based on the proportion of the audience rating delivered to the total guaranteed in the contract. For impression-based digital advertising, revenue is recognized when "impressions" are delivered, while revenue from non-impression-based digital advertising is recognized over the period that the advertisements are displayed. "Impressions" are defined as the number of times that an advertisement appears in pages viewed by users of the Company's digital properties. Sponsorship advertisement revenue is recognized ratably over the contract period.

Growth in advertising sales comes from increased viewership and pricing, expanded available inventory and the launch of new platforms. In addition, advertising revenue may grow as brand, volume and pricing gaps between advertising targeting U.S. Hispanics and advertising targeting the overall U.S. population narrow. Advertising revenue is subject to seasonality, market-based variations, general economic conditions, political cycles and advocacy campaigns. In addition, major sporting events, including soccer tournaments such as the Gold Cup, generate estimated incremental revenue in the periods in which the programming airs from advertisers who purchase both such events and other advertising, and result in such advertisers shifting the timing for their purchase of other advertising from periods within the year in which the major sporting events programming does not air. Further, other major sporting events, including the World Cup and the Olympics, which air on the Company's competitors' networks may shift advertising to such competitors in the periods in which the programming airs.

Subscription— Subscription revenue includes fees charged for the right to view the programming content of the Company's broadcast networks, cable networks and stations through a variety of distribution platforms and viewing devices. Subscription revenue is principally comprised of fees received from MVPDs for carriage of the Company's networks and for authorizing carriage ("retransmission consent") of Univision and UniMás broadcast networks aired on the Company's owned television stations as well as fees for digital content. Typically, the Company's networks and stations are aired by MVPDs pursuant to multi-year carriage agreements that provide for the level of carriage that the Company's networks and stations will receive, and if applicable, for annual rate increases. Subscription revenue is largely dependent on the market demand for the content that the Company provides, contractual rate-per-subscriber negotiated in the agreements, and the number of subscribers that receive the Company's networks or content. Subscriber fee revenues are net of the amortization of any capitalized amounts paid to MVPDs. The Company defers these capitalized amounts and amortizes such amounts through the term of the agreement.

The Company also receives retransmission consent fees related to television stations that the Company does not own (referred to as "affiliates") that are affiliated with Univision and UniMás broadcast networks. The Company has agreements with its affiliates whereby the Company negotiates the terms of retransmission consent agreements for substantially all of its Univision and UniMás stations with MVPDs. As part of these arrangements, the Company shares the retransmission consent fees received with certain of its affiliates.

The Company's carriage agreements with MVPDs are renewed or renegotiated periodically. The Company has renewed six of the top seven MVPD distribution agreements since September 2018. These renewals include double-digit weighted rate increases across all major MVPD renewals. The renewals signed during 2019 have rate step-ups beginning in the first quarter of 2020. The Company has no major distribution renewals prior to the end of 2021 and the next major distribution expirations are staggered over a five-year period. In the future, as the Company negotiates new contracts, it anticipates that its subscription revenue will increase and represent both a larger percentage of the Company's revenue and a significant portion of the Company's anticipated revenue growth.

The Company's success in increasing its subscription revenue will depend on the Company's ability to successfully negotiate new carriage agreements with MVPDs and renew its existing carriage agreements that are up for renewal at higher rates. The Company may not, however, be able to achieve such higher rates in negotiating with MVPDs for carriage of its networks and stations and there may be disputes that arise in the future as a result of consolidation in the cable or satellite MVPD industry or for other reasons. The Company also receives subscription revenue related to fees for its digital content. The Company expects that the portion of subscription revenue attributable to digital MVPDs will continue to increase over time.

Content Licensing— The Company licenses programming content for digital streaming and to other cable and satellite providers. Content licensing revenue is recognized when the content is delivered, and all related obligations have been satisfied. For licenses of internally-produced television programming, each individual episode delivered represents a separate performance obligation and revenue is recognized when the episode is made available to the licensee for exhibition and the license period has begun. All revenue is recognized only when it is probable that the Company will collect substantially all of the consideration for the content licensing.

Other Revenue

The Company classifies revenue from contractual commitments (including non-cash advertising and promotional revenue) primarily related to Televisa as Other Revenue. The Company also recognizes other revenue related to support services provided to joint ventures and related to spectrum access in channel sharing arrangements. From time to time the Company enters into transactions involving its spectrum.

Adjusted OIBDA

Adjusted OIBDA represents operating income before depreciation, amortization and certain additional adjustments to operating income. In calculating Adjusted OIBDA the Company's operating income is adjusted for share-based compensation and other non-cash charges, restructuring and severance charges, as well as other non-operating related items. Management primarily uses Adjusted OIBDA or comparable metrics to evaluate the Company's operating performance, for planning and forecasting future business operations. The Company believes that Adjusted OIBDA is used in the broadcast industry by analysts, investors and lenders and serves as a valuable performance assessment metric for investors. For important information about Adjusted OIBDA and a reconciliation of Adjusted OIBDA to income from continuing operations, which is the most directly comparable GAAP financial measure see "Reconciliation of Non-GAAP Measures" and "Notes to Consolidated Financial Statements—20. *Segments.*"

Bank Credit Adjusted OIBDA

Bank Credit Adjusted OIBDA represents Adjusted OIBDA with certain additional adjustments permitted under the Company's senior secured credit facilities and the indentures governing the senior notes that adds back and/or deducts, as applicable, specified business optimization expenses, unusual, infrequent items, income (loss) from equity investments in entities, the results of which are consolidated in the Company's operating income (loss), that are not treated as subsidiaries, and from subsidiaries designated as unrestricted subsidiaries, in each case under such credit facilities and indentures, and certain other expenses. Management uses Bank Credit Adjusted OIBDA as a secondary measure to Adjusted OIBDA to evaluate the Company's operating performance, for planning and forecasting future business operations. Management also uses Bank Credit Adjusted OIBDA to assess the Company's ability to satisfy certain financial covenants contained in the Company's senior secured credit facilities and the indentures governing the Company's senior notes; for these purposes Bank Credit Adjusted OIBDA is further adjusted to give effect to the redesignation of unrestricted subsidiaries as restricted subsidiaries for the 12 month period then ended upon such redesignation. For a reconciliation of Bank Credit Adjusted OIBDA to income from continuing operations, see "Reconciliation of Non-GAAP Measures."

The following table provides revenue, Adjusted OIBDA and Bank Credit Adjusted OIBDA (as defined in "How Performance of the Business is Assessed" above) for each of the Company's segments for the periods presented (in thousands). See "Reconciliation of Non-GAAP Measures" for a reconciliation of the non-GAAP terms Adjusted OIBDA and Bank Credit Adjusted OIBDA to income from continuing operations, which is the most directly comparable GAAP financial measure.

	Three Months Ended March 31,	
	2020	2019
Revenue:		
Media Networks	$ 609,300	$ 560,600
Radio	51,100	51,300
Consolidated	$ 660,400	$ 611,900
Adjusted OIBDA:		
Media Networks	$ 264,800	$ 213,000
Radio	4,700	6,800
Corporate	(18,400)	(15,500)
Consolidated	$ 251,100	$ 204,300
Bank Credit Adjusted OIBDA:		
Media Networks	$ 266,000	$ 214,900
Radio	5,000	7,800
Corporate	(15,400)	(11,600)
Consolidated	$ 255,600	$ 211,100

Recent Developments

Financing Transactions

On April 28, 2020, the Company issued $370.0 million aggregate principal amount of 9.50% Senior Secured Notes due 2025 at an original issuance discount of 99.026%, plus accrued and unpaid interest from April 28, 2020. The notes will mature on May 1, 2025. The Company will pay interest on the notes semi-annually in arrears on May 1 and November 1 of each year, commencing on November 1, 2020. On April 28, 2020, the Company delivered a notice of redemption to holders of its 6.75% senior secured notes due 2022 to redeem all $357.8 million aggregate principal amount outstanding. The redemption price for the notes will be equal to 101.125% of the principal amount of notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. The Company intends to use the net proceeds from the issuance of the 9.50% senior secured notes due 2025 to fund the redemption of the senior secured notes due 2022, including any related fees and expenses.

Stock Purchase Agreement

Pursuant to a Stock Purchase Agreement dated February 24, 2020, the members of the Original Sponsors, the bank investors, the management stockholders and all other stockholders of UHI other than Televisa and its affiliates have agreed to sell all of their shares of Class A and Class B common stock of UHI (constituting a majority ownership interest in UHI) to Searchlight III UTD, L.P. Televisa and its affiliates are neither selling nor acquiring any shares in the transaction, and Televisa will retain its current ownership interests. In addition, the terms of the program license agreement as amended in July 2015 effective as of January 1, 2015 with Televisa (the "Televisa PLA") and other commercial agreements with Televisa will remain unchanged. The transaction, which is subject to customary closing conditions, including receipt of regulatory approvals, is expected to close later in 2020.

Impacts of COVID-19

COVID-19 has, and will continue, to impact the Company, due to, among other things, the negative impact on advertising trends and its advertising revenue, suspension of sporting events and curtailment or suspension of other programming production that the Company has broadcast rights to, reductions or delays in the production of programming by the Company's partners, and general COVID-19 related disruptions to the Company's business and operations. Advertising results at both Media Networks and Radio were impacted at the end of the first quarter by COVID-19 due to the factors above. Looking ahead to the second quarter, the Company anticipates advertising will materially weaken from the first quarter due to further postponement of live sports and lower demand from advertisers adversely impacted by the health crisis. Due to the uncertain and rapid nature of developments related to

COVID-19, the Company cannot estimate the impact on its business, financial condition or near or longer-term financial or operational results with certainty, except as expressly specified.

COVID-19 has had and will continue to have a significant and adverse impact on the Company's business. Advertising revenue makes up a significant portion of the Company's revenue, and, like other broadcast companies and similar businesses that depend on advertising spend, the Company expects to experience a significant decline in advertising revenue due to COVID-19. The Company believes that as a result of COVID-19, its customers may alter their purchasing activities in response to the current and future economic environment, and, among other things, its customers may change or scale back future purchases of advertising. COVID-19 has led to the suspension of sporting events, such as soccer matches, and other live events for which the Company has broadcast rights. The Company cannot predict when such sporting and live events will resume and the terms of its broadcast rights when they resume. COVID-19 has led to the halting or curtailment of other productions, including the production of programming both by the Company and its partners. Such changes, including the resulting loss of advertising revenue and renegotiations with partners that own sporting and other programming rights, could have a material adverse impact on the Company's business, financial position and results of operations.

The forecasted scaling back of advertising purchases in television and radio markets has resulted in increased impairment reviews for the Company's goodwill, intangible assets, including Federal Communications Commission ("FCC") licenses and other long-term assets. Based on ongoing review of market conditions and forecasted long-term growth rates, the Company recorded an impairment of $75.0 million related to certain radio broadcast licenses and other intangibles in the first quarter of 2020. Based on developing market conditions, additional impairments may be required in future periods.

Furthermore, the Company has been forced to vacate many of its offices and layoff a significant number of employees, which has led to a more difficult operating environment. Due to the disruption caused by the COVID-19 pandemic, beginning in April the Company has initiated a number of actions expected to deliver an estimated $125 million of cost reductions when compared to 2019 total annual direct operating expenses (other than variable program license fees), which will result in an anticipated restructuring charge of approximately $15 million in the second quarter and possible other restructuring charges throughout the remainder of 2020. The cost reductions will arise from lower third-party non-programming expenses, lower major soccer expenses, employee actions and other initiatives and will be realized ratably throughout the year.

While the Company has significant sources of cash and liquidity and access to its senior secured credit facilities, a prolonged period of generating lower cash from operations could adversely affect the Company's financial condition and the achievement of its strategic objectives. The outbreak of COVID-19 has also significantly increased economic uncertainty. It is likely that the current outbreak or continued spread of COVID-19 will cause a global recession, which will further adversely affect the Company's business, and such adverse effects may be material. Due to the uncertain and rapid nature of developments related to COVID-19, the Company cannot estimate the impact on its business, financial condition or near or longer-term financial or operational results with certainty. In addition, the longer and more severe the pandemic, including repeat or cyclical outbreaks beyond the one we are currently experiencing, the more severe the adverse effects will be on the Company's business, results of operations, liquidity, cash flows, financial condition, access to credit markets and ability to service the Company's existing and future indebtedness.

Available revolving facilities

On March 20, 2020, due to market uncertainties in the global markets resulting from the COVID-19 pandemic, the Company drew down approximately $442.8 million on its available bank and accounts receivable revolving facilities. The proceeds from the draw downs may in the future be used for working capital, general corporate or other purposes permitted by the facilities.

Distribution Agreement with DISH

During 2019, the Company's distribution was negatively impacted by the temporary lapse of its distribution agreement with DISH that started in mid 2018. On March 26, 2019 the Company announced a long-term agreement for carriage of Univision networks and stations on DISH's DBS system.

Discontinued Operations

In April 2019, the Company sold its English-language digital businesses including the *Gizmodo Media Group, The Onion* and *Fusion Digital* collectively referred to as the English-language digital assets or businesses. The *Gizmodo Media Group* was comprised principally of *Gizmodo, Deadspin, Lifehacker, Jezebel, Splinter, The Root, Kotaku, Earther* and *Jalopnik.* The results of the English-language digital businesses have been classified as discontinued operations for all periods presented. See Note 12. *Discontinued Operations* for additional information. Unless indicated otherwise, the information in the notes to the consolidated financial statements relates to the Company's continuing operations. The English-language digital businesses were previously included in the Media Networks segment.

Other Factors Affecting Results of Operations

Direct Operating Expenses

Direct operating expenses consist primarily of programming costs, including license fees, and technical / engineering costs. Programming costs also include sports and other special events, news and other original programming. The Company's programming costs for sports rights include the costs for the Liga MX and the Union of European Football Association ("UEFA") soccer programming. As the Euro Cup has been rescheduled to 2021 and soccer games have been postponed due to the impact of COVID-19, the Company expects that programming costs for sports rights will decrease in 2020. The Company expects to continue investing in direct-to-customer platforms which could increase operating expenses. Under the Televisa PLA, Televisa receives royalties based on 16.45% of substantially all of the Company's Spanish language media networks revenue in effect until the expiration of the Televisa PLA. Additionally, Televisa receives an incremental 2% in royalty payments above the contractual revenue base of $1.63 billion.

Selling, General and Administrative Expenses

Selling, general and administrative expenses include salaries and benefits for the Company's sales, marketing, management and administrative personnel, selling, research, promotions, professional fees and other general and administrative expenses.

Restructuring, Severance and Related Charges

The Company incurs restructuring, severance and related charges, primarily in connection with restructuring activities that the Company has undertaken from time to time as part of broader-based cost-saving initiatives as well as initiatives to improve performance, collaboration and operational efficiencies across its local media platforms and the digital platforms in the Spanish-language Media Networks segment and initiatives to rationalize costs. These charges include employee termination benefits and severance charges, as well as expenses related to consolidating offices and other contract terminations, including programming contract terminations. Due to the disruption caused by the COVID-19 pandemic, beginning in April the Company has initiated a number of cost savings actions, including restructuring, which will result in an anticipated restructuring charge of approximately $15 million in the second quarter and possible other restructuring charges throughout the remainder of 2020. See "Notes to Consolidated Financial Statements—7. *Accounts Payable and Accrued Liabilities*" for information related to restructuring and severance activities.

Impairment Loss

The Company tests the value of intangible assets for impairment annually, or more frequently if circumstances indicate that a possible impairment exists. Intangible assets include primarily goodwill, television and radio broadcast licenses, tradenames and programming rights under various agreements. The Company records any non-cash write-down of the value of intangible assets as an impairment loss. During the three months ended March 31, 2020, due to the forecasted scaling back of advertising purchases as a result of the impact of COVID-19, the Company determined that it was necessary to perform an interim impairment test on its FCC licenses and indefinite-lived intangibles and recognized a non-cash impairment charge of $75.0 million as a result of this review. The Company tests the value of right-of-use assets associated with its operating leases when circumstances indicate that a possible impairment exists. See "Notes to Consolidated Financial Statements — 4. *Operating Leases,* 5. *Intangible Assets* and 9. *Program Rights and Prepayments.*"

Interest Rate Swaps

For derivative instruments that are designated and qualify as part of a cash flow hedging relationship, the gain or loss on the derivative is reported as a component of other comprehensive income (loss) and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. Gains and losses on the derivative representing either hedge components excluded from the assessment of effectiveness are recognized in current earnings through "Other." For derivative instruments not designated as hedging instruments, the derivative is marked to market with the change in fair value recorded directly in earnings. See "Notes to Consolidated Financial Statements—15. *Interest Rate Swaps.*"

Share-based Compensation Expense

The Company recognizes non-cash share-based compensation expense related to equity-based awards issued by UHI to the Company's employees. See "Notes to Consolidated Financial Statements – 18. *Share Based Compensation*."

Provision for Income Tax

The Company's annual effective tax rate is impacted by a number of factors, including permanent tax differences, discrete items and state and local taxes. The Company anticipates its annual effective tax rate to be approximately 24% in 2020 which includes permanent tax differences, discrete items and the reduction in the U.S. corporate tax rate beginning January 1, 2018, arising from the Tax Cuts and Jobs Act of 2017. The Company is part of a consolidated group with UHI for federal tax purposes, and the availability of loss carryforwards to limit federal tax payments by the Company is evaluated at the group level. As of December 31, 2019, there are approximately $851.0 million in net operating loss carryforwards at the UHI level, of which approximately $493.8 million have been generated by Univision Communications Inc. and subsidiaries. See "Notes to Consolidated Financial Statements—17. *Income Taxes*."

Other

The Company measures equity investments which are not accounted for under the equity method and that have readily determinable fair values at fair value, with changes in fair value recognized in earnings.

Results of Operations

Overview

The following table sets forth the Company's consolidated statement of operations for the periods presented (in thousands):

	Three Months Ended March 31,	
	2020	2019
Revenue	$ 660,400	$ 611,900
Direct operating expenses:		
Programming excluding variable program license fee	124,300	149,500
Variable program license fee	93,000	83,100
Other	21,100	21,900
Total	238,400	254,500
Selling, general and administrative expenses	178,200	158,800
Impairment loss	75,100	5,600
Restructuring, severance and related charges	4,200	8,900
Depreciation and amortization	41,000	38,400
Loss on dispositions	600	6,400
Operating income	122,900	139,300
Other expense (income):		
Interest expense	95,100	97,100
Interest income	(700)	(3,300)
Amortization of deferred financing costs	1,900	1,900
Other	11,200	(4,900)
Income before income taxes	15,400	48,500
Provision for income taxes	3,700	11,600
Income from continuing operations	11,700	36,900
Loss from discontinued operations, net of income taxes	—	(12,400)
Net income	11,700	24,500
Net income attributable to noncontrolling interests	—	200
Net income attributable to Univision Communications Inc. and subsidiaries	$ 11,700	$ 24,300

Three Months Ended March 31, 2020 Compared to Three Months Ended March 31, 2019

In comparing the Company's results of operations for the three months ended March 31, 2020 ("2020") with that ended March 31, 2019 ("2019"), in addition to the factors referenced above affecting the Company's results, the following should be noted:

- In March 2020, the COVID-19 pandemic resulted in an economic slowdown resulting in business closures and reduced demand for advertising, as well as the suspension of live soccer matches whose financial impact will be dependent on the future reactivation of the leagues and on negotiations with league owners and the halting or curtailment of other productions, including the production of programming both by the Company and its partners. During the three months ended March 31, 2020, due to the forecasted scaling back of advertising purchases as a result of the impact of COVID-19, the Company determined that it was necessary to perform an interim impairment test on its FCC licenses and indefinite-lived intangibles and recognized a non-cash impairment charge of $75.0 million as a result of this review. See "Impacts of COVID-19" above.

- During the first quarter of 2019, the Company's distribution was negatively impacted by the temporary lapse of its distribution agreement with DISH. The lapse began in July 2018 and on March 26, 2019 the Company announced a long-term agreement for carriage of Univision networks and stations on DISH's DBS system.

- In 2020 and 2019, the Company recorded $4.2 million and $8.9 million, respectively, in restructuring, severance and related charges. These charges relate to restructuring and severance arrangements with employees and executives, as well as costs related to consolidating facilities, contract terminations and related charges in 2020 and 2019.

- In 2020, the Company recognized in Other Income an unrealized loss of $5.5 million due to the change in fair value of its Entravision Communications Corporation ("Entravision") investment. In 2019, the Company recognized in Other Income an unrealized gain of $3.1 million due to the change in fair value of its Entravision investment.

Revenue. Consolidated revenue was $660.4 million in 2020 compared to $611.9 million in 2019, an increase of $48.5 million or 7.9%. Media Networks revenue was $609.3 million in 2020 compared to $560.6 million in 2019, an increase of $48.7 million or 8.7%. Radio revenue was $51.1 million in 2020 compared to $51.3 million in 2019, a decrease of $0.2 million or 0.4%. Consolidated advertising revenue was $329.1 million in 2020 compared to $335.8 million in 2019, a decrease of $6.7 million or 2.0%. Consolidated non-advertising revenue was $331.3 million in 2020 compared to $276.1 million in 2019, an increase of $55.2 million or 20%. Consolidated political/advocacy revenue was $25.8 million in 2020 compared to $5.7 million in 2019.

Media Networks advertising revenue for 2020 decreased 2.3% to $280.3 million compared to $287.0 million for the same prior period. Media Networks advertising revenue for the television platform was $261.7 million in 2020 compared to $272.8 million in 2019, a decrease of $11.1 million, or 4.1%. The decrease was primarily due to declines in our networks and local television businesses due to live sports cancellations and lower volume commitments in March due to COVID-19, partially offset by an increase due to improvement in our ratings and price increases. This decline was also partially offset by increases in digital. Media Networks advertising revenue for the digital platform was $18.6 million in 2020 compared to $14.2 million in 2019. Media Networks advertising revenue in 2020 and 2019 included political/advocacy advertising revenue of $20.9 million and $3.9 million, respectively. Media Networks advertising revenue for the television platforms in 2020 and 2019 included political/advocacy revenue of $19.7 million and $3.6 million, respectively, an increase of $16.1 million. Media Networks advertising revenue for the digital platforms in 2020 and 2019 included political/advocacy revenue of $1.2 million and $0.3 million, respectively.

Media Networks non-advertising revenue (which is comprised of subscriber fee revenue, content licensing and other revenue) was $329.0 million for the first quarter of 2020 compared to $273.6 million for the same prior period, an increase of $55.4 million or 20.2% primarily due to an increase in subscriber fee revenue reflecting the renewal of distributor contracts and associated rate. Subscriber fee revenue was $282.5 million in 2020 compared to $238.2 million in 2019, an increase of $44.3 million, or 18.6%. Content licensing and other revenue was $46.5 million in 2020 compared to $35.4 million in the same prior period, an increase of $11.1 million due to the timing of delivery.

Radio advertising revenue was $48.8 million in both 2020 and 2019. Advertising revenue in 2020 and 2019 included political/advocacy advertising revenue of $4.9 million and $1.8 million, respectively and experienced a decline in ad spending in the retail sector in 2020 compared to 2019. Non-advertising revenue in the Radio segment, primarily contractual revenue, decreased to $2.3 million in 2020 from $2.5 million in 2019.

Direct operating expenses – programming. Programming expenses, which exclude variable program license fees (see below), decreased to $124.3 million in 2020 compared to $149.5 million in 2019, a decrease of $25.2 million or 16.9%. As a percentage of revenue, programming expenses decreased to 18.8% in 2020 from 24.4% in 2019. Media Networks segment programming expenses were $112.8 million in 2020 compared to $136.7 million in 2019, a decrease of $23.9 million or 17.5% due to a decrease in sports programming of $14.9 million primarily due to the impact of COVID-19 which led to suspension of sporting events, such as soccer matches, and other live events for which the Company has broadcast rights and decreases in entertainment programming costs of $9.8 million primarily due to co-productions that did not recur in 2020, partially offset by increases in news programming costs of $0.8 million. Radio segment programming expenses were $11.5 million in 2020 compared to $12.8 million in 2019, a decrease of $1.3 million or 10.2%.

Direct operating expenses – variable program license fees. Under the Televisa PLA, the Company pays a percentage of substantially all of its Spanish-language media networks revenue to Televisa. The variable program license fees recorded in the Media Networks segment increased to $93.0 million in 2020 from $83.1 million in 2019, an increase of $9.9 million or 11.9% primarily due to the higher revenue base on which the license fee is paid. On a consolidated basis, as a percentage of revenue, variable program license fees were 14.1% in 2020 and 13.6% in 2019.

Direct operating expenses – other. Other direct operating expenses decreased to $21.1 million in 2020 from $21.9 million in 2019, a decrease of $0.8 million or 3.7%, primarily due to a decrease in technical costs. As a percentage of revenue, other direct operating expenses decreased to 3.2% in 2020 from 3.6% in 2019. Media Networks segment other direct operating expenses were $17.6 million in 2020 compared to $18.5 million in 2019, a decrease of $0.9 million or 4.9%. Radio segment other direct operating expenses were $3.5 million in 2020 compared to $3.4 million in 2019, an increase of $0.1 million.

Selling, general and administrative expenses. Selling, general and administrative expenses increased to $178.2 million in 2020 from $158.8 million in 2019, an increase of $19.4 million or 12.2% primarily due investment in marketing, the impact of COVID-19 and other contractual increases in 2020. On a consolidated basis, as a percentage of revenue, selling, general and administrative expenses increased to 27.0% in 2020 from 26.0% in 2019. Media Networks segment selling, general and administrative expenses increased to $123.0 million in 2020 compared to $111.1 million in 2019, an increase of $11.9 million or 10.7%. Radio segment selling, general and administrative expenses were $31.6 million in 2020 compared to $28.5 million in 2019, an increase of $3.1 million or 10.9%. Corporate selling, general and administrative expenses were $23.6 million in 2020 compared to $19.2 million in 2019, an increase of $4.4 million or 22.9%.

Impairment loss. In 2020, the Company recorded a non-cash impairment loss of $75.1 million primarily comprised of impairments to FCC licenses and other intangibles primarily in the Radio segment due to the forecasted scaling back of advertising purchases as a result of the impact of COVID-19. In 2019, the Company recorded a non-cash impairment loss of $5.6 million primarily comprised of non-cash impairments related to operating right-to-use assets in Corporate associated with the adoption of Accounting Standards Codification ("ASC") 842, *Leases* and write-down of program rights in the Media Networks segment.

Restructuring, severance and related charges. In 2020, the Company incurred restructuring, severance and related charges of $4.2 million. This amount includes $3.1 million related to restructuring activities and $1.1 million related to severance charges for individual employees. The restructuring charge of $3.1 million consists of $2.0 million in Corporate related to facility and related charges, $0.6 million in the Media Networks segment primarily related to facility and related charges and $0.5 million in the Radio segment related to facility and related charges. In 2019, the Company incurred restructuring, severance and related charges of $8.9 million. The restructuring charge of $8.9 million consists of $5.5 million in the Media Networks segment related to $1.2 million in employee termination benefits and $4.3 million in facility and related charges, $2.4 million in Corporate related to $1.6 million in employee termination benefits and $0.8 million in facility and related charges, and $1.0 million in the Radio segment related to $0.7 million in employee termination benefits and $0.3 million in facility and related charges. See "Notes to Consolidated Financial Statements—7. *Accounts Payable and Accrued Liabilities*."

Depreciation and amortization. Depreciation and amortization increased to $41.0 million in 2020 from $38.4 million in 2019, an increase of $2.6 million or 6.8%. The Company's depreciation expense increased to $26.9 million in 2020 from $25.2 million in 2019, an increase of $1.7 million, primarily due to the addition of new assets. The Company had amortization of intangible assets of $14.1 million in 2020 and $13.2 million in 2019. Depreciation and amortization expense for the Media Networks segment increased by $2.9 million to $34.7 million in 2020 compared to $31.8 million in 2019. Depreciation and amortization expense for the Radio segment decreased by $0.2 million to $1.2 million in 2020 compared to $1.4 million in 2019. Corporate depreciation decreased by $0.1 million to $5.1 million in 2020 compared to $5.2 million in 2019.

Loss on dispositions. In 2020, the Company recorded a loss on dispositions of $0.6 million primarily related to the retirement of fixed assets. In 2019, the Company recorded a loss on dispositions of $6.4 million primarily related to the write-off of facility-related assets.

Operating income. As a result of the factors discussed above and in the results of operations overview, the Company had operating income of $122.9 million in 2020 and $139.3 million in 2019, a decrease of $16.4 million. The Media Networks segment had operating income of $226.4 million in 2020 and $169.2 million in 2019, an increase of $57.2 million. The Radio segment had an operating loss of $72.6 million in 2020 and operating income of $4.2 million in 2019, a decrease of $76.8 million. Corporate operating loss was $30.9 million in 2020 and $34.1 million in 2019, a decrease in operating loss of $3.2 million. The impact of political/advocacy advertising contributed $20.3 million in 2020 and $4.1 million in 2019.

Interest expense. Interest expense decreased to $95.1 million in 2020 from $97.1 million in 2019, a decrease of $2.0 million. See "Notes to Consolidated Financial Statements—14. *Debt* and —15. *Interest Rate Swaps.*"

Interest income. In 2020 and 2019, the Company recorded interest income of $0.7 million and $3.3 million, respectively, a decrease of $2.6 million, primarily related to the Company no longer recognizing interest income earned on the convertible debt with El Rey Holdings LLC ("El Rey") in 2020.

Amortization of deferred financing costs. Amortization of deferred financing costs was $1.9 million in 2020 and $1.9 million in 2019. See "Notes to Consolidated Financial Statements—14. *Debt.*"

Other. The Company recognized Other loss of $11.2 million in 2020 primarily due to changes in fair value of its investments and costs related to the acquisition of a majority ownership interest in UHI. The Company recognized Other income of $4.9 million in 2019 primarily due to changes in fair value of its investments and the write-off of certain investment of the Company's share.

Provision for income taxes. In 2020, the Company reported an income tax provision of $3.7 million, based on pre-tax income for the three months ended March 31, 2020 multiplied by the estimated annual effective tax rate adjusted for discrete items. In 2019, the Company reported an income tax provision of $11.6 million, based on pre-tax income for the three months ended March 31, 2019 multiplied by the estimated annual effective tax rate adjusted for discrete items. The Company's current estimated tax rate as of March 31, 2020 was approximately 24%, which differs from the statutory rate primarily due to permanent tax differences and discrete items, partially offset by the impact of state and local taxes. The Company's estimated tax rate as of March 31, 2019 was approximately 24%, which differs from the statutory rate then in effect primarily due to permanent tax differences and discrete items, partially offset by the impact of state and local taxes. The Company is part of a consolidated group with UHI for federal tax purposes, and the availability of loss carryforwards to limit federal tax payments by the Company is evaluated at the group level. As of December 31, 2019, there are approximately $851.0 million in net operating loss carryforwards at the UHI level, of which approximately $493.8 million have been generated by Univision Communications Inc. and subsidiaries. See "Notes to Consolidated Financial Statements—17. *Income Taxes."*

In response to COVID-19, President Donald Trump signed into law the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") on March 27, 2020. The CARES Act provides numerous tax provisions and other stimulus measures. The Company has estimated the impact of the CARES Act on its consolidated financial statements. The Company anticipates it may benefit from the technical correction for qualified leasehold improvements, which changes 39-year property to 15-year property, be eligible for 100% tax bonus depreciation, acceleration of refunds of previously generated Alternative Minimum Tax credits and the creation of certain refundable employee retention credits. Where certain tax provisions of the CARES Act are determined to be applicable and estimates are refined following the completion of the Company's assessment, these may result in cash refunds and an income tax benefit recorded in the Company's consolidated statements of operations.

Income from continuing operations. As a result of the above factors, the Company reported income from continuing operations of $11.7 million and $36.9 million in 2020 and 2019, respectively.

Loss from discontinued operations. The Company reported loss from discontinued operations of $12.4 million in 2019. The decrease in the loss from discontinued operations is due to the completed sale of the discontinued operations business by the Company in April 2019.

Net income attributable to noncontrolling interests. In 2020 and 2019, the Company reported net income attributable to noncontrolling interests of zero and $0.2 million, respectively.

Net income attributable to Univision Communications Inc. and subsidiaries. The Company reported net income attributable to Univision Communications Inc. and subsidiaries of $11.7 million and $24.3 million in 2020 and 2019, respectively.

Adjusted OIBDA and Bank Credit Adjusted OIBDA. Adjusted OIBDA increased to $251.1 million in 2020 from $204.3 million in 2019, an increase of $46.8 million or 22.9% and Bank Credit Adjusted OIBDA increased to $255.6 million in 2020 from $211.1 million in 2019, an increase of $44.5 million or 21.1%. The increase results from the factors discussed in the "Overview" above and the other factors noted above. On a consolidated basis, as a percentage of revenue, the Company's Adjusted OIBDA increased to 38.0% in 2020 from 33.4% in 2019 and Bank Credit Adjusted OIBDA increased to 38.7% in 2020 from 34.5% in 2019. The impact of political/advocacy advertising contributed $20.3 million in 2020 and $4.1 million in 2019. For a reconciliation of Adjusted OIBDA and Bank Credit Adjusted OIBDA to income from continuing operations, which is the most directly comparable GAAP financial measure, see "Reconciliation of Non-GAAP Measures" below.

Liquidity and Capital Resources

Cash Flows

Cash Flows from Operating Activities from Continuing Operations. Cash flows used in operating activities from continuing operations for the three months ended March 31, 2020 were $3.1 million compared to cash flows provided by operating activities from continuing operations for the three months ended March 31, 2019 of $8.2 million, a decrease of $11.3 million. Income from continuing operations adjusted for the impact of non-cash items was $164.9 million for the three months ended March 31, 2020 and $87.7 million for the three months ended March 31, 2019, an increase of $77.2 million. Changes in assets and liabilities for the three months ended March 31, 2020 resulted in net use of cash of $168.0 million compared to a net use of cash of $79.5 million for the three months ended March 31, 2019. The increased use of cash of $88.5 million is primarily due to the timing of contractual payments and working capital increases partially offset by lower sports payments year-over-year.

Cash Flows from Investing Activities from Continuing Operations. Cash flows used in investing activities from continuing operations were $8.4 million for the three months ended March 31, 2020 compared to cash flows used in investing activities from continuing operations of $25.3 million for the three months ended March 31, 2019. During the three months ended March 31, 2020 and 2019, the Company used $8.4 million and $25.3 million in cash related to capital expenditures.

Cash Flows from Financing Activities from Continuing Operations. Cash flows provided by financing activities from continuing operations were $370.1 million for the three months ended March 31, 2020 compared to cash flows used in financing activities from continuing operations of $49.6 million for the three months ended March 31, 2019. During the three months ended March 31, 2020, long-term debt decreased by $72.7 million and revolving debt increased by $442.8 million, a net source of cash of $370.1 million. During the three months ended March 31, 2019, long-term debt decreased by $121.6 million and revolving debt increased by $70.0 million, a net use of cash of $51.6 million. During the three months ended March 31, 2019, the Company had cash use of $2.8 million to fund discontinued operations. In addition, for the three months ended March 31, 2019, the Company had net cash use of $0.8 million related to employee stock and equity transaction fees related to financing activities.

On March 20, 2020, due to market uncertainties in the global markets resulting from the COVID-19 pandemic, the Company drew down approximately $442.8 million on its available bank and accounts receivable revolving facilities. The proceeds from the draw downs may in the future be used for working capital, general corporate or other purposes permitted by the facilities.

Anticipated Cash Requirements. The Company's current financing strategy is to fund operations and service the Company's debt through cash flow from operations, the Company's bank senior secured revolving credit facility, the Company's accounts receivable sale facility, and anticipated access to private equity and debt markets. The Company monitors the cash flow liquidity, availability, fixed charge coverage, capital base, programming acquisitions and leverage ratios with the long-term goal of maintaining the Company's credit worthiness.

The Company may from time to time seek to retire or purchase, directly or indirectly, its outstanding indebtedness, including its outstanding debt securities, through cash purchases and/or exchanges, in open market purchases, privately negotiated transactions, by tender offer or otherwise. Such purchases and/or exchanges, if any, could be financed with a combination of cash on hand and borrowings under its senior secured revolving credit facility and accounts receivable sale facility, and will depend on prevailing market conditions, liquidity requirements, contractual restrictions and other factors. The amounts involved may be material, which could impact its capital structure, the market for its debt securities, the price of the indebtedness being purchased and/or exchanged and affect its liquidity.

Capital Expenditures

Capital expenditures for the three months ended March 31, 2020 totaled $8.4 million, which excludes accruals until they are settled. These expenditures included $4.0 million related to information technology, $2.7 million related to normal capital purchases or improvements and $1.7 million related to facilities upgrades, including those related to consolidation of operations. The Company's capital expenditures exclude the expenditures financed with capitalized lease obligations. The Company's capital expenditure plan for the full fiscal year 2020 is for approximately $34 million. As part of the Company's response to COVID-19, the Company is taking a series of committed actions to manage its cost base, including reducing its planned capital expenditures by approximately half compared to full fiscal year 2019.

Debt and Financing Transactions

As of March 31, 2020, the Company had total committed capacity, defined as maximum available borrowings under various existing debt arrangements plus cash and cash equivalents, of $9,122.7 million. Of this committed capacity, $7,765.5 million was outstanding as debt, $69.2 million was outstanding as letters of credit and $1,288.0 million was unused. As of March 31, 2020, total committed capacity, outstanding letters of credit, outstanding debt and total unused committed capacity were as follows (in thousands).

	Committed Capacity	Letters of Credit	Outstanding Debt	Unused Committed Capacity
Cash and cash equivalents	$ 650,000	$ —	$ —	$ 650,000
Bank senior secured revolving credit facility maturing in 2022[(a)] — alternate bases	850,000	—	212,000	638,000
Bank senior secured term loans maturing in 2024—LIBOR with a 1.0% floor + 2.75%[(b)]	4,187,700	—	4,187,700	—
Senior secured notes due 2022—6.75%[(b)]	357,800	—	357,800	—
Senior secured notes due 2023—5.125%[(b)]	1,197,800	—	1,197,800	—
Senior secured notes due 2025—5.125%[(b)]	1,479,400	—	1,479,400	—
Accounts receivable facility maturing in 2022—LIBOR + 1.75%	400,000	69,200	330,800	—
	$ 9,122,700	$ 69,200	$ 7,765,500	$ 1,288,000

(a) See "Notes to Consolidated Financial Statements—14. *Debt*."
(b) Amounts represent the principal balance and do not include any discounts and premiums.

To the extent permitted and to the extent of free cash flow, the Company intends to repay indebtedness and reduce the Company's ratio of Adjusted OIBDA to total debt. The Company repaid $4.5 million on its accounts receivable revolving facility in April 2020.

Disclosures Related to Debt Guarantees, Security Interests and Accounts Receivable Facility

The Company's Senior Secured Credit Facilities are guaranteed by Broadcast Media Partners Holdings, Inc. ("Holdings") and Univision Communications Inc.'s material, wholly-owned restricted domestic subsidiaries (subject to certain exceptions). These subsidiaries fully and unconditionally guarantee the Company's Senior Secured Credit Facilities and senior secured notes on a joint and several basis. The Company's senior secured notes are guaranteed by all of the current and future domestic subsidiaries that guarantee the senior secured credit facilities. The senior secured notes are not guaranteed by Holdings.

The Company's Senior Secured Credit Facilities are secured by, among other things:

- a first priority security interest, subject to permitted liens, in substantially all of the assets of Univision Communications Inc. and Univision of Puerto Rico Inc. ("UPR"), as borrowers, Holdings and Univision Communications Inc.'s material restricted domestic subsidiaries (subject to certain exceptions), including without limitation, all receivables, contracts, contract rights, equipment, intellectual property, inventory and other tangible and intangible assets, but excluding, among other things, cash and cash equivalents, deposit and securities accounts, motor vehicles, FCC licenses to the extent that applicable law or regulation prohibits the grant of a security interest therein, equipment that is subject to restrictions on liens pursuant to purchase money obligations or finance lease obligations, interests in joint ventures and non-wholly owned subsidiaries that cannot be pledged without the consent of a third party, trademark applications and receivables subject to the Company's accounts receivable securitization;

- a pledge of (i) the present and future capital stock of each of Univision Communications Inc.'s, UPR's, and each subsidiary guarantor's direct domestic subsidiaries (other than interests in joint ventures and non-wholly owned subsidiaries that cannot be pledged without the consent of a third party or to the extent a pledge of such capital stock would cause us to be required to file separate financial statements for such subsidiary with the Securities and Exchange Commission) and (ii) 65% of the voting stock of each of Univision Communications Inc.'s, UPR's, and each subsidiary guarantor's material direct foreign subsidiaries (other than interests in non-wholly owned subsidiaries that cannot be pledged without the consent of a third party), in each case, subject to certain exceptions; and

- all proceeds and products of the property and assets described above.

The Company's senior secured notes are secured by substantially all of Univision Communications Inc.'s and the guarantors' property and assets that secure the Company's Senior Secured Credit Facilities. The senior secured notes are not secured by the assets of Holdings, including a pledge of the capital stock of the Company. The Company's subsidiary non-guarantors are primarily comprised of its Mexican and Columbian operations. At March 31, 2020, the total assets and total liabilities associated with the Company's subsidiary non-guarantors were approximately $6.1 million and $1.3 million, respectively, comprising 0.1% of the Company's consolidated total assets and less than 0.1% of the Company's consolidated total liabilities, respectively. The Company's subsidiary non-guarantors contributed approximately $0.3 million, or 0.2% to the Company's consolidated operating income.

Under the terms of the Company's Accounts Receivable Facility, certain subsidiaries of the Company sell accounts receivable on a true sale and non-recourse basis to their respective wholly-owned special purpose subsidiaries, and these special purpose subsidiaries in turn sell such accounts receivable to Univision Receivables Co., LLC, a bankruptcy-remote subsidiary in which certain special purpose subsidiaries of the Company and its parent, Broadcasting Partners, each holds a 50% voting interest (the "Receivables Entity"). Thereafter, the Receivables Entity sells to investors, on a revolving non-recourse basis, senior undivided interests in such accounts receivable pursuant to the Receivables Purchase Agreement. The Company (through certain special purpose subsidiaries) holds a 100% economic interest in the Receivables Entity. The assets of the special purpose entities and the Receivables Entity are not available to satisfy the obligations of the Company or its other subsidiaries. At March 31, 2020, the total assets and total liabilities associated with the Accounts Receivable Facility were approximately $556.9 million and $331.1 million, respectively, comprising 5.8% and 3.6% of the Company's consolidated total assets and of the Company's consolidated total liabilities, respectively. The Accounts Receivable Facility has no impact on the Company's consolidated operating income.

Other Matters Related to Debt

The Company may from time to time designate a wholly-owned early stage venture as an "unrestricted subsidiary" for purposes of its credit agreement governing the senior secured credit facilities and indentures governing the senior secured notes. The results of these unrestricted subsidiaries are excluded from Bank Credit Adjusted OIBDA in accordance with the definition in the credit agreement and the indentures governing the senior secured notes. As unrestricted subsidiaries, the operations of these subsidiaries are excluded from, among other things, covenant compliance calculations and compliance with the affirmative and negative covenants of the credit agreement governing the senior secured credit facilities and indentures governing the senior secured notes. The Company may redesignate these subsidiaries as restricted subsidiaries at any time at its option, subject to compliance with the terms of its credit agreement governing the senior secured credit facilities and indentures governing the senior secured notes.

The agreements governing the Senior Secured Credit Facilities and the senior secured notes contain various covenants, which, among other things, limit the incurrence of indebtedness, making of investments, payment of dividends, transactions with affiliates, asset sales, acquisitions, mergers and consolidations, prepayments of other indebtedness, liens and encumbrances and other matters customarily restricted in such agreements. The credit agreement allows the Company to make certain pro forma adjustments for purposes of calculating the financial maintenance ratio applicable to the revolver facility thereunder, which would be applied to Bank Credit Adjusted OIBDA. The Company is in compliance with these covenants under the agreements governing its senior secured credit facilities and the existing senior secured notes as of March 31, 2020.

A breach of any covenant could result in an event of default under those agreements. If any such event of default occurs, the lenders of the senior secured credit facilities or the holders of the existing senior secured notes may elect (after the expiration of any applicable notice or grace periods) to declare all outstanding borrowings, together with accrued and unpaid interest and other amounts payable thereunder, to be immediately due and payable. In addition, an event of default under the indentures governing the existing senior secured notes would cause an event of default under the senior secured credit facilities, and the acceleration of debt under the senior secured credit facilities or the failure to pay that debt when due would cause an event of default under the indentures governing the existing senior secured notes (assuming certain amounts of that debt were outstanding at the time). The lenders under the senior secured credit facilities also have the right upon an event of default thereunder to terminate any commitments they have to provide further borrowings. Further, following an event of default under the senior secured credit facilities, the lenders will have the right to proceed against the collateral.

The Company and its subsidiaries, affiliates or significant shareholders may from time to time, in their sole discretion, purchase, repay, redeem or retire certain of the Company's debt or equity securities (including any publicly traded debt securities), in privately negotiated or open market transactions, by tender offer or otherwise.

The credit agreement governing the Company's Senior Secured Credit Facilities also provides that the Company may increase its existing revolving credit facilities and/or term loans facilities by up to $750.0 million if certain conditions are met. As of March 31, 2020, the Company has in aggregate made $700.0 million of such increases to its existing revolving credit facilities and term loan facilities.

On August 30, 2017, the Company entered into an amended accounts receivable sale facility (as amended, the "Facility"). The amendment, among other things, (i) extended the expiration date of the Facility to August 30, 2022, (ii) provided for a letter of credit sub-limit of $100.0 million under the revolving component of the Facility, (iii) lowered the interest rate on the borrowings under the Facility to a LIBOR market index rate (without a floor) plus a margin of 1.50% or 1.75% per annum, depending on the amount drawn under the Facility and (iv) lowered the commitment fee on the unused portion of the Facility to 0.30% per annum unless usage is less than 50% at which a rate of 0.50% per annum will be used.

Interest Rate Swaps

The Company's objectives in using interest rate derivatives are to add stability to interest expense and to manage the Company's exposure to interest rate movements. To accomplish these objectives, the Company primarily use interest rate swaps as part of the Company's interest rate risk management strategy. These interest rate swaps involve the receipt of variable amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. The Company has agreements with each of the Company's interest rate swap counterparties which provide that the Company could be declared in default on its derivative obligations if repayment of the underlying indebtedness is accelerated by the lender due to the Company's default on the indebtedness.

As of March 31, 2020, the Company has five effective cash flow hedges. During the second quarter of 2019, the Company entered into three new interest rate swaps which effectively convert the interest payable on $750 million of variable rate debt into fixed rate debt, at a weighted-average rate of approximately 1.86% through June 2021. On February 28, 2020, the Company's two interest rate swaps which effectively converted the interest payable on $2.5 billion of variable rate debt into fixed rate debt, at a weighted-average rate of approximately 2.25% matured. Concurrent with the maturity of these two swaps, two forward-starting interest rate swaps that convert the interest payable on $2.5 billion of variable rate debt into fixed rate debt, at a weighted-average rate of approximately 2.94% became effective and will mature in February 2024. These two forward-starting interest rate swaps were entered into to extend the Company's hedge of LIBOR with a 1% floor from February 2020 through February 2024. On March 11, 2020, the Company novated a $1.0 billion variable rate debt into fixed rate debt swap with Deutsche Bank AG which was effective on February 28, 2020 and which matures on February 28, 2024 and replaced the counter-party with CitiBank N.A. No terms of the underlying swap were changed.

Other

General

Based on the Company's current level of operations, planned capital expenditures and major contractual obligations, the Company believes that its cash flow from operations, together with available cash and availability under the Company's senior secured revolving credit facility and the revolving component of the Company's receivable sale facility will provide sufficient liquidity to fund the Company's current obligations, projected working capital requirements and capital expenditures for a period that includes at least the next year.

Acquisitions, Investments and Joint Ventures

The Company continues to explore acquisition, investment and joint venture opportunities to complement and capitalize on the Company's existing business and management. The purchase price for any future acquisitions, investments and joint venture investments may be paid with cash derived from operating cash flow, proceeds available under the Company's revolving credit facilities, proceeds from future private equity or debt offerings or any combination thereof.

Contractual Obligations

The following table is a summary of the Company's major contractual payment obligations related only to the Company's debt instruments as of March 31, 2020 and does not include any of the Company's other major contractual payment obligations as of March 31, 2020.

Major Contractual Obligations
As of March 31, 2020
(In thousands)

	Payments Due By Period						
	2020	**2021**	**2022**	**2023**	**2024**	**Thereafter**	**TOTAL**
Senior secured notes (a)	$ —	$ —	$ 357,800	$ 1,197,800	$ —	$ 1,479,400	$ 3,035,000
Bank senior secured term loans (a)	—	—	41,300	44,800	4,101,600	—	4,187,700
Bank revolver principal (b)	—	—	212,000	—	—	—	212,000
Interest on fixed rate debt (c)	111,400	161,400	161,300	106,500	75,800	37,900	654,300
Interest on variable rate debt (d)	127,800	170,000	161,900	154,800	32,100	—	646,600
Accounts receivable facility (e)	—	—	330,800	—	—	—	330,800
	$ 239,200	$ 331,400	$ 1,265,100	$ 1,503,900	$ 4,209,500	$ 1,517,300	$ 9,066,400

(a) Amounts represent the principal amount and are not necessarily the balance of the Company's debt, which include discount and premium amounts. Amounts do not give pro forma effect to (i) the issuance of $370.0 million in aggregate principal amount of senior notes on April 28, 2020 and (ii) the purchase and redemption of any of the $357.8 million in aggregate principal of 2022 senior secured notes outstanding as of March 31, 2020 pursuant to the notice of redemption sent on April 28, 2020.
(b) Amounts reflect the Company's revolving credit facility which matures in 2022.
(c) Amounts represent anticipated cash interest payments related to the Company's fixed rate debt, which includes the senior secured notes.
(d) Amounts represent anticipated cash interest payments related to the Company's variable rate debt, which includes the bank senior secured term loans and the accounts receivable facility. Interest on these debt instruments is calculated as one-month LIBOR plus an applicable margin. To estimate the future interest payments, the Company adjusted the debt principal balances based on contractual reductions in debt and utilized the one-month forward LIBOR curve as of March 31, 2020.
(e) Amounts reflect the Company's accounts receivable sale facility which matures in 2022.

During the three months ended March 31, 2020, the Company entered into several new programming, research tools and information technology agreements for which the Company is obligated to make payments of $25.2 million during the remainder of 2020, $35.5 million in 2021, $64.8 million in 2022, $48.9 million in 2023, $21.7 million in 2024, and $0.8 million in 2025 and thereafter.

Off-Balance Sheet Arrangements

As of March 31, 2020, the Company does not have any off-balance sheet transactions, arrangements or obligations (including contingent obligations) that would have a material effect on the Company's financial results.

Quantitative and Qualitative Disclosures about Market Risk

The Company faces risks related to fluctuations in interest rates. The Company's primary interest rate exposure results from short-term interest rates applicable to the Company's variable interest rate loans. To partially mitigate this risk, the Company has entered into interest rate swap contracts. As of March 31, 2020, the Company had approximately $0.9 billion in principal amount in variable interest rate loans outstanding in which the Company's exposure to variable interest rates is not limited by interest rate swap contracts. A hypothetical change of 10% in the floating interest rate that the Company receives would result in a change to interest expense of approximately $1.4 million on pre-tax earnings and pre-tax cash flows over a one-year period related to the borrowings in excess of the hedged contracts. See "—Debt and Financing Transactions—Interest Rate Swaps."

Critical Accounting Policies

The Company's discussion and analysis of financial condition and results of operations is based on the consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these consolidated financial statements requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Certain accounting policies require the application of significant judgment by management in selecting the appropriate assumptions for calculating financial estimates. These estimates, assumptions and judgments are based on historical experience, terms of existing contracts, evaluation of trends in the industry, information provided by customers and suppliers/partners and information available from other outside sources, as appropriate. However, they are subject to an inherent degree of uncertainty. As a result, the Company's actual results in these areas may differ significantly from these estimates. The Company believes that the following critical accounting policies are critical to an understanding of the financial condition and results of operations and require the most significant judgments and estimates used in the preparation of the Company's consolidated financial statements and changes in these judgments and estimates may impact future results of operations and financial condition.

Revenue Recognition

Advertising— The Company generates advertising revenue from the sale of advertising on broadcast and cable networks, local television and radio stations. The Company also generates revenue from the sale of display, mobile and video advertising, as well as sponsorships, on its websites and mobile applications. In some cases, the network advertising sales are subject to ratings guarantees that require the Company to provide additional advertising time if the guaranteed audience levels are not achieved. Revenues for any audience deficiencies are deferred until the guarantee audience levels is met, by providing additional advertisements. Advertising contracts, which are generally short-term, are billed monthly, with payments due shortly after the invoice date.

For the broadcast and cable networks, the Company sells advertising time in the upfront and scatter markets. In the upfront market, advertisers buy advertising time for the upcoming season in advance, often at discounted rates from the Company's standard rates. In the scatter market, advertisers buy advertising time close to the time when the commercials will be run and often pay a premium to the Company's standard rates. The mix between the upfront and scatter markets is based upon a number of factors, such as pricing, demand for advertising time, type of programming and economic conditions.

Advertising revenue from the sale of advertising on broadcast and cable networks, local television and radio station is recognized when advertising spots are aired and performance guarantees, if any, are achieved. The achievement of performance guarantees is based on audience ratings from an independent research company. If there is a guarantee to deliver a targeted audience rating, revenues are recognized based on the proportion of the audience rating delivered to the total guaranteed in the contract. For impression-based digital advertising, revenue is recognized when "impressions" are delivered, while revenue from non-impression-based digital advertising is recognized over the period that the advertisements are displayed. "Impressions" are defined as the number of times that an advertisement appears in pages viewed by users of the Company's digital properties. Sponsorship advertisement revenue is recognized ratably over the contract period.

Under the Televisa PLA the Company has the right, on an annual basis, to reduce the minimum amount of advertising it has committed to provide to Televisa by up to 20% for the Company's use to sell advertising or satisfy ratings guarantees to certain advertisers. See "Notes to Consolidated Financial Statements—13. Related Party Transactions."

Subscription—Subscription revenue includes fees charged for the right to view the programming content of the Company's broadcast networks, cable networks and stations through a variety of distribution platforms and viewing devices. Subscription revenue is principally comprised of fees received from MVPDs for carriage of the Company's networks and for authorizing carriage ("retransmission consent") of Univision and UniMás broadcast networks aired on the Company's owned television stations as well as fees for digital content. Typically, the Company's networks and stations are aired by MVPDs pursuant to multi-year carriage agreements that provide for the level of carriage that the Company's networks and stations will receive, and if applicable, for annual rate increases. Subscription revenue is largely dependent on the contractual rate-per-subscriber negotiated in the agreements, the number of subscribers that receive the Company's networks or content, and the market demand for the content that the Company provides. Judgment is sometimes required in circumstances where multiple services have been included in negotiated rates and one or more of those services is considered a distinct performance obligation that should be accounted for separately versus together. Subscriber fees received from cable and satellite MVPDs are recognized as revenue in the period during which services are provided. The Company does not disclose future performance obligations on subscriber contracts. Subscriber fee revenues are net of the amortization of any capitalized amounts paid to MVPDs. The Company defers these capitalized amounts and amortizes such amounts through the term of the agreement.

The Company also receives retransmission consent fees related to television stations that the Company does not own (referred to as "affiliates") affiliated with Univision and UniMás broadcast networks. The Company has agreements with its affiliates whereby the Company negotiates the terms of retransmission consent agreements for substantially all of its Univision and UniMás stations with MVPDs. As part of these arrangements, the Company shares the retransmission consent fees received with certain of its affiliates.

Content Licensing—The Company licenses programming content for digital streaming and to other cable and satellite providers. Content licensing revenue is recognized when the content is delivered, and all related obligations have been satisfied. For licenses of internally-produced television programming, each individual episode delivered represents a separate performance obligation and revenue is recognized when the episode is made available to the licensee for exhibition and the license period has begun. All revenue is recognized only when it is probable that the Company will collect substantially all of the consideration for the content licensing.

Program Rights and Prepayments

The Company acquires program rights to exhibit on its broadcast and cable networks, including television shows, movies, and sports content. The costs incurred to acquire programming are capitalized when (i) the cost of the programming is reasonably determined, (ii) the programming has been accepted in accordance with the terms of the agreement, (iii) the programming is available for its first showing or telecast and (iv) the license period has commenced. The costs of program rights are classified as programming prepayments if the rights payments are made before the related economic benefit has been received. The costs of original programs are capitalized when incurred. All program rights and prepayments on the Company's balance sheet are subject to regular recoverability assessments.

Acquired program rights for television shows and movies are amortized over their economic life, which is the period in which an economic benefit is expected to be generated, based on the estimated relative value of each broadcast of the program over the program's life. Acquired program costs for television shows and movies are charged to operating expense as the programs are broadcast. Acquired program costs for multi-year sports programming arrangements are amortized to operating expenses over the license period based on the ratio of current-period direct revenue to estimated remaining total direct revenue over the remaining contract period. In the case of original programming, program costs are amortized to operating expense utilizing an individual-film-forecast-computation method over the title's life cycle based upon the ratio of current period revenue to estimated remaining ultimate revenue.

The accounting for television shows and movie rights, sports rights, program rights prepayments and capitalized original program costs, requires judgment, particularly in the process of estimating the revenue to be earned over the life of the asset and total costs to be incurred ("ultimate revenue"). These judgments are used in determining the amortization of, and any necessary impairment of, capitalized costs. Estimated ultimate revenue is based on factors such as historical performance of similar programs, actual and forecasted ratings and the genre of the program. Such measurements are classified as Level 3 within the fair value hierarchy as key inputs used to value program and sports rights include ratings and undiscounted cash flows. If planned usage patterns or estimated relative values by year were to change significantly, amortization of the Company's capitalized costs may be accelerated or slowed. Program rights prepayments and capitalized original program costs are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of these long-lived assets may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to its estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future cash flow, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

Recent Accounting Pronouncements

For recent accounting pronouncements see "Notes to Consolidated Financial Statements—1. *Summary of Significant Accounting Policies.*"

Reconciliation of Non-GAAP Measures

Presented below on a consolidated basis is a reconciliation of the non-GAAP measure Adjusted OIBDA to Income from continuing operations, which is the most directly comparable GAAP financial measure:

	Three Months Ended March 31,	
	2020	2019
Income from continuing operations	$ 11,700	$ 36,900
Provision for income taxes	3,700	11,600
Income before income taxes	$ 15,400	$ 48,500
Other expense (income):		
Interest expense	95,100	97,100
Interest income	(700)	(3,300)
Amortization of deferred financing costs	1,900	1,900
Other[a]	11,200	(4,900)
Operating income	122,900	139,300
Depreciation and amortization	41,000	38,400
Impairment loss[b]	75,100	5,600
Restructuring, severance and related charges	4,200	8,900
Loss on dispositions[c]	600	6,400
Share-based compensation	6,000	4,700
Other adjustments to operating income[d]	1,300	1,000
Adjusted OIBDA	$ 251,100	$ 204,300

(a) Other is primarily comprised of (income) loss arising from the Company's investments and costs related to the acquisition of a majority ownership interest in UHI in 2020.

(b) Impairment loss is primarily comprised of non-cash impairments related to the write-down of broadcast license and other intangibles primarily in the Radio segment and write-down of program rights due to decisions not to air certain content or revised estimates of ultimate revenue for certain program assets in the Media Networks segment. Impairment loss in 2020 is related to an interim impairment test on the Company's FCC licenses and indefinite-lived intangibles as a result of COVID-19. Impairment loss in 2019 is primarily comprised of non-cash impairments related to operating lease right-of-use assets and write-down of program rights due to decisions not to air certain content or revised estimates of ultimate revenue.

(c) Loss on dispositions primarily relates to the sale of real estate assets and write-off of facility-related assets.

(d) Other adjustments to operating income is primarily comprised of fees related to the review of strategic options and letter of credit fees.

The following tables reconcile Bank Credit Adjusted OIBDA to Adjusted OIBDA (in thousands):

	Three Months Ended March 31,	
	2020	2019
Adjusted OIBDA	$ 251,100	$ 204,300
Less expenses included in Adjusted OIBDA but excluded from Bank Credit Adjusted OIBDA:		
Adjustments for certain entities not treated as subsidiaries and subsidiaries designated as unrestricted subsidiaries under senior secured credit facilities and indentures[a]	—	200
Contractual adjustments under senior secured credit facilities and indentures[b]	4,500	6,600
Bank Credit Adjusted OIBDA	$ 255,600	$ 211,100

(a) Under the Company's credit agreement governing the Company's senior secured credit facilities and indentures governing the Company's senior notes, Bank Credit Adjusted OIBDA permits the add-back and/or deduction, as applicable, for specified income (loss) from equity investments in entities, the results of which are consolidated in the Company's operating income (loss), that are not treated as subsidiaries, and from subsidiaries designated as unrestricted subsidiaries, in each case under such credit facilities and indentures, and certain other expenses. "Unrestricted Subsidiaries" are several wholly owned early stage ventures. The amounts for subsidiaries designated as unrestricted subsidiaries and certain entities that are not treated as subsidiaries under the Company's senior secured credit facilities and indentures governing the Company's senior notes above represent the residual elimination after the other permitted exclusions from Bank Credit Adjusted OIBDA. The Company may redesignate unrestricted subsidiaries as restricted subsidiaries at any time at its option, subject to compliance with the terms of the credit agreement and indentures. Bank Credit Adjusted OIBDA is further adjusted when giving effect to the redesignation of an unrestricted subsidiary as a restricted subsidiary for the 12-month period then ended upon such redesignation.

(b) Contractual adjustments under the Company's senior secured credit facilities and indentures relate to adjustments to operating income (loss) permitted under the Company's senior secured credit facilities and indentures governing the Company's senior notes in all periods related to the treatment of the accounts receivable facility under GAAP that existed when the credit facilities were originally entered into and other miscellaneous items.

Forward-Looking Statements

Certain statements contained within this reporting package constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, you can identify forward-looking statements by terms such as “anticipate,” “plan,” “may,” “intend,” “will,” “expect,” “believe,” or the negative of these terms, and similar expressions intended to identify forward-looking statements.

These forward-looking statements reflect the Company’s current views with respect to future events and are based on assumptions and are subject to risks and uncertainties. Also, these forward-looking statements present the Company’s estimates and assumptions only as of the date of this reporting package. The Company undertakes no obligation to modify or revise any forward-looking statements to reflect events or circumstances occurring after the date that the forward-looking statement was made.

Factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements include: the evolving and uncertain nature of the COVID-19 situation and its impact on the Company, the media industry, and the economy in general, including the suspension of sporting events and curtailing or suspension of other programming production that the Company has broadcast rights to, interference with, or increased cost of, the Company’s or its partners’ production and programming, lower advertising revenue, shutdown of the Company’s operations and the Company’s response to the COVID-19 virus related to facilities closings, personnel reductions and other cost-cutting measures and measures to maintain necessary liquidity and increases in expenses relating to precautionary measures at the Company’s facilities to protect the health and well-being of its employees due to COVID-19; the uncertainty that the Company will achieve its expected cost reductions in response to the actions initiated by the Company in response to COVID-19 in the anticipated time frame, or at all; uncertainties related to, and disruptions to the Company’s business and operations caused by, the transaction for the sale of a majority ownership interest in UHI, and impacts of any changes in strategies post-acquisition; cancellations, reductions or postponements of advertising or other changes in advertising practices among the Company’s advertisers; any impact of adverse economic conditions on the Company’s industry, business and financial condition, including reduced advertising revenue; changes in the size of the U.S. Hispanic population, including the impact of federal and state immigration legislation and policies on both the U.S. Hispanic population and persons emigrating from Latin America; lack of audience acceptance of the Company’s content; varying popularity for programming, which the Company cannot predict at the time the Company may incur related costs; the failure to renew existing carriage agreements or reach new carriage agreements with MVPDs on acceptable terms or otherwise and the impact of such failure on pricing terms of, and contractual obligations under, carriage agreements with other MVPDs; consolidation in the cable or satellite MVPD industry; the impact of increased competition from new technologies; changes in the Company’s strategy going forward; competitive pressures from other broadcasters and other entertainment and news media; damage to the Company’s brands, particularly the Univision brand, or reputation; fluctuations in the Company’s quarterly results, making it difficult to rely on period-to-period comparisons; failure to retain the rights to sports programming to attract advertising revenue; the loss of the Company’s ability to rely on Televisa for a significant amount of its network programming; the failure of the Company’s businesses to produce projected revenues or cash flows; failure to monetize the Company’s content on its digital platforms; the failure of the Company’s success in acquiring, investing in and integrating complementary businesses; failure of the Company’s updated strategy to grow its business; the failure or destruction of satellites or transmitter facilities that the Company depends on to distribute its programming; disruption of the Company’s business due to network and information systems-related events, such as computer hackings, viruses, or other destructive or disruptive software or activities; inability to realize the full value of the Company’s intangible assets and any further impairment; failure to utilize the Company’s net operating loss carryforwards; the loss of key executives; possible strikes or other union job actions; piracy of the Company’s programming and other content; environmental, health and safety laws and regulations; FCC media ownership rules; compliance with, and/or changes in, the rules and regulations of the FCC; new laws or regulations concerning retransmission consent or “must carry” rights; increased enforcement or enhancement of FCC indecency and other programming content rules; the impact of legislation on the reallocation of broadcast spectrum which may result in additional costs and affect the Company’s ability to provide competitive services; net losses in the future and for an extended period of time; the Company’s substantial indebtedness; failure to service the Company’s debt or inability to comply with the agreements contained in the Company’s senior secured credit facilities and indentures, including any financial covenants and ratios; the Company’s dependency on lenders to execute its business strategy and its inability to secure financing on suitable terms or at all; any impact from the discontinuance of the London Interbank Offered Rate; volatility and weakness in the capital markets; and risks relating to the Company’s ownership. Actual results may differ materially due to these risks and uncertainties. The Company assumes no obligation to update forward-looking information contained in this reporting package.