

**UNIVISION COMMUNICATIONS INC. AND SUBSIDIARIES**  
**2024 Second Quarter Reporting Package**

**UNIVISION COMMUNICATIONS INC. AND SUBSIDIARIES**  
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**UNIVISION COMMUNICATIONS INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(In thousands, except share and per share data)

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
	<b>Unaudited</b>	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents .....	\$ 240,100	\$ 220,900
Accounts receivable, net .....	1,081,400	1,160,600
Program rights and prepayments .....	147,900	116,000
Income taxes .....	343,100	186,300
Prepaid expenses and other .....	361,700	327,900
Total current assets .....	2,174,200	2,011,700
Property and equipment, net .....	1,074,900	1,202,600
Intangible assets, net .....	5,921,900	6,234,600
Goodwill .....	5,762,000	5,911,200
Program rights and prepayments .....	1,237,500	1,165,400
Investments .....	288,300	279,300
Operating lease right-of-use assets .....	121,700	136,500
Deferred tax assets .....	264,500	248,500
Other assets .....	100,400	106,100
Total assets .....	<u>\$ 16,945,400</u>	<u>\$ 17,295,900</u>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities .....	\$ 937,900	\$ 1,174,600
Deferred revenue .....	493,500	284,100
Current operating lease liabilities .....	40,100	34,700
Current portion of long-term debt and finance lease obligations .....	201,400	308,500
Total current liabilities .....	1,672,900	1,801,900
Long-term debt and finance lease obligations .....	9,601,900	9,571,100
Deferred tax liabilities, net .....	961,400	836,500
Deferred revenue .....	96,400	78,300
Non-current operating lease liabilities .....	107,300	126,300
Other long-term liabilities .....	281,700	289,100
Total liabilities .....	12,721,600	12,703,200
Stockholder's equity:		
Common Stock, \$0.01 par value; 100,000 shares authorized in 2024 and 2023, 1,000 shares issued and outstanding at June 30, 2024 and December 31, 2023 .....	—	—
Additional paid-in-capital .....	5,875,900	5,854,900
Accumulated deficit .....	(2,325,900)	(2,288,000)
Accumulated other comprehensive income .....	673,800	1,025,800
Total stockholder's equity .....	4,223,800	4,592,700
Total liabilities and stockholder's equity .....	<u>\$ 16,945,400</u>	<u>\$ 17,295,900</u>

See Notes to Consolidated Financial Statements.

**UNIVISION COMMUNICATIONS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited and in thousands)

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Revenue .....	\$ 1,257,700	\$ 1,219,800	\$ 2,406,700	\$ 2,290,700
Direct operating expenses .....	524,100	496,600	1,003,800	905,700
Selling, general and administrative expenses .....	397,900	366,800	772,700	701,000
Impairment loss .....	9,400	200	10,400	400
Restructuring, severance and related charges .....	5,000	14,100	11,600	18,400
Depreciation and amortization .....	134,700	148,400	288,500	284,200
Loss (gain) on dispositions .....	5,900	(200)	4,700	600
Operating income .....	180,700	193,900	315,000	380,400
Other expense (income):				
Interest expense .....	180,100	170,300	359,200	331,000
Interest income .....	(6,100)	(7,200)	(10,100)	(9,900)
Amortization of deferred financing costs .....	4,700	3,600	9,300	7,300
Loss on refinancing of debt .....	6,200	—	4,500	—
Other, net .....	(11,400)	16,700	11,700	3,200
Income (loss) before income taxes .....	7,200	10,500	(59,600)	48,800
(Benefit) provision for income taxes .....	(6,900)	8,700	(21,700)	50,000
Net income (loss) .....	<u>\$ 14,100</u>	<u>\$ 1,800</u>	<u>\$ (37,900)</u>	<u>\$ (1,200)</u>

See Notes to Consolidated Financial Statements.

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

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Net income (loss) .....	\$ 14,100	\$ 1,800	\$ (37,900)	\$ (1,200)
Other comprehensive income, net of tax:				
Unrealized (loss) gain on hedging activities .....	(6,500)	22,500	3,300	(1,100)
Reclassification of hedging activities .....	(4,900)	(4,200)	(9,400)	(8,500)
Unrealized gain on pension activities, net of taxes .....	—	(3,900)	—	900
Amortization of unrealized gain on pension activities, net of taxes ....	(500)	(500)	(1,000)	(900)
Currency translation adjustment .....	(450,300)	217,300	(344,900)	540,600
Other comprehensive (loss) income .....	(462,200)	231,200	(352,000)	531,000
Comprehensive (loss) income .....	<u>\$ (448,100)</u>	<u>\$ 233,000</u>	<u>\$ (389,900)</u>	<u>\$ 529,800</u>

See Notes to Consolidated Financial Statements.

**UNIVISION COMMUNICATIONS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN**  
**STOCKHOLDER'S EQUITY**  
**(Unaudited and in thousands)**

	<b>Common Stock</b>	<b>Additional Paid-in-Capital</b>	<b>Accumulated Deficit</b>	<b>Accumulated Other Comprehensive Income</b>	<b>Total Equity</b>
Balance, March 31, 2023 .....	\$ —	\$ 5,826,700	\$ (1,424,100)	\$ 785,300	\$ 5,187,900
Net income .....	—	—	1,800	—	1,800
Other comprehensive income .....	—	—	—	231,200	231,200
Share-Based compensation .....	—	16,000	—	—	16,000
Dividend on behalf of TelevisaUnivision, Inc. ....	—	(11,400)	—	—	(11,400)
Balance, June 30, 2023 .....	<u>\$ —</u>	<u>\$ 5,831,300</u>	<u>\$ (1,422,300)</u>	<u>\$ 1,016,500</u>	<u>\$ 5,425,500</u>

	<b>Common Stock</b>	<b>Additional Paid-in-Capital</b>	<b>Accumulated Deficit</b>	<b>Accumulated Other Comprehensive Income (Loss)</b>	<b>Total Equity</b>
Balance, March 31, 2024 .....	\$ —	\$ 5,865,600	\$ (2,340,000)	\$ 1,136,000	\$ 4,661,600
Net income .....	—	—	14,100	—	14,100
Other comprehensive loss .....	—	—	—	(462,200)	(462,200)
Share-Based compensation .....	—	20,700	—	—	20,700
Dividend on behalf of TelevisaUnivision, Inc. ....	—	(10,400)	—	—	(10,400)
Balance, June 30, 2024 .....	<u>\$ —</u>	<u>\$ 5,875,900</u>	<u>\$ (2,325,900)</u>	<u>\$ 673,800</u>	<u>\$ 4,223,800</u>

**UNIVISION COMMUNICATIONS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN**  
**STOCKHOLDER'S EQUITY**  
**(Unaudited and in thousands)**

	<b>Common Stock</b>	<b>Additional Paid-in-Capital</b>	<b>Accumulated Deficit</b>	<b>Accumulated Other Comprehensive Income</b>	<b>Total Equity</b>
Balance, December 31, 2022.....	\$ —	\$ 5,809,500	\$ (1,421,100)	\$ 485,500	\$ 4,873,900
Net loss.....	—	—	(1,200)	—	(1,200)
Other comprehensive income.....	—	—	—	531,000	531,000
Share-Based compensation.....	—	43,500	—	—	43,500
Dividend on behalf of TelevisaUnivision, Inc.....	—	(21,700)	—	—	(21,700)
Balance, June 30, 2023.....	<u>\$ —</u>	<u>\$ 5,831,300</u>	<u>\$ (1,422,300)</u>	<u>\$ 1,016,500</u>	<u>\$ 5,425,500</u>

	<b>Common Stock</b>	<b>Additional Paid-in-Capital</b>	<b>Accumulated Deficit</b>	<b>Accumulated Other Comprehensive Income (Loss)</b>	<b>Total Equity</b>
Balance, December 31, 2023.....	\$ —	\$ 5,854,900	\$ (2,288,000)	\$ 1,025,800	\$ 4,592,700
Net loss.....	—	—	(37,900)	—	(37,900)
Other comprehensive loss.....	—	—	—	(352,000)	(352,000)
Share-Based compensation.....	—	41,700	—	—	41,700
Dividend on behalf of TelevisaUnivision, Inc.....	—	(20,700)	—	—	(20,700)
Balance, June 30, 2024.....	<u>\$ —</u>	<u>\$ 5,875,900</u>	<u>\$ (2,325,900)</u>	<u>\$ 673,800</u>	<u>\$ 4,223,800</u>

See Notes to Consolidated Financial Statements

**UNIVISION COMMUNICATIONS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited and in thousands)

	<b>Six Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
Cash flows from operating activities:		
Net loss .....	\$ (37,900)	\$ (1,200)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation .....	112,100	111,300
Amortization of intangible assets .....	176,400	172,900
Amortization of deferred financing costs .....	9,300	7,300
Amortization of program rights and prepayments .....	476,100	429,100
Deferred income taxes .....	65,900	(7,800)
Non-cash deferred advertising commitments .....	(32,300)	(10,700)
Impairment loss .....	10,400	400
Loss on refinancing of debt .....	4,500	—
Share-based compensation .....	41,700	43,500
Loss on dispositions .....	4,700	600
Other non-cash items .....	(6,400)	(25,800)
Changes in assets and liabilities:		
Accounts receivable, net .....	49,300	(130,200)
Program rights and prepayments .....	(621,600)	(710,500)
Prepaid expenses and other .....	(54,700)	(66,600)
Accounts payable and accrued liabilities .....	(344,200)	(96,300)
Deferred revenue .....	263,900	250,500
Other long-term liabilities .....	20,200	8,400
Other assets .....	12,200	4,100
Net cash provided by (used in) operating activities .....	<u>149,600</u>	<u>(21,000)</u>
Cash flows from investing activities:		
Capital expenditures .....	(62,700)	(96,700)
Investments and other, net .....	8,700	(45,100)
Acquisition of businesses, net of cash acquired .....	—	100
Net cash used in investing activities .....	<u>(54,000)</u>	<u>(141,700)</u>
Cash flows from financing activities:		
Proceeds from issuance of long-term debt .....	1,338,100	100,000
Payments of long-term debt and finance leases .....	(1,413,300)	(144,800)
Payments of refinancing fees .....	(10,000)	(700)
Proceeds from swap interest .....	39,300	31,700
Dividend payments on behalf of TelevisaUnivision, Inc. ....	(20,700)	(21,700)
Net cash used in financing activities .....	<u>(66,600)</u>	<u>(35,500)</u>
Net increase (decrease) in cash, cash equivalents, and restricted cash .....	29,000	(198,200)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash .....	(14,800)	5,300
Cash, cash equivalents, and restricted cash, beginning of period .....	227,500	545,200
Cash, cash equivalents, and restricted cash, end of period .....	<u>\$ 241,700</u>	<u>\$ 352,300</u>

See Notes to Consolidated Financial Statements.



**UNIVISION COMMUNICATIONS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**June 30, 2024**

**(Unaudited)**

**(Dollars in thousands, except share and per-share data, unless otherwise indicated)**

## **1. Company Background**

*Nature of operations*—Univision Communications Inc. together with its subsidiaries (the “Company” or “Univision”) is the leading Spanish-language content and media company in the world and has operations in linear/digital (formerly Media Networks) and radio that are aggregated into one reportable segment: Media and Entertainment. The Company is wholly owned by Broadcast Media Partners Holdings, Inc. (“Broadcast Holdings”) which is itself wholly owned by Univision Holdings Inc., (“UHI”). UHI is wholly owned by TelevisaUnivision, Inc. (“TelevisaUnivision”). The Company features the largest Spanish-language library of owned content and industry-leading production capabilities that power its streaming, digital and linear television offerings, as well as its radio platforms. The Company’s linear networks include the top-rated broadcast networks *Univision* and *UniMás* in the United States (“U.S.”) and Las Estrellas, Foro TV, Canal 5 and Canal 9 in Mexico. TelevisaUnivision is home to 38 Spanish-language cable networks, including *Galavisión* and *TUDN*, the No. 1 Spanish-language sports network in the U.S. and Mexico. With the most compelling portfolio of Spanish-language sports rights in the world, the Company has solidified itself as the home of soccer. The Company also owns and manages 59 local television stations across the U.S., and 16 local television stations in Mexico and Videocine studio. The Company is home to premium streaming services ViX, which host over 50,000 hours of high-quality, original Spanish-language programming from distinguished producers and top talent. The Company’s prominent digital assets include *Univision.com*, *Univision NOW*, and several top-rated digital apps. The Radio operations, known as the *Uforia Audio Network*, the Home of Latin Music, which encompasses 35 owned or operated U.S. radio stations, a live event series and a robust digital audio footprint. Additionally, the Company incurs corporate expenses separate from the linear/digital and radio operations 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 segment.

*TelevisaUnivision Transaction*—On January 31, 2022 Grupo Televisa, S.A.B (“Televisa”; NYSE:TV; BMV:TLEVISA CPO) and TelevisaUnivision (together with its wholly owned subsidiary, Univision) announced the completion of the transaction between Televisa’s media content and production assets and Univision (the “TelevisaUnivision Transaction”). The combined new company, which was named TelevisaUnivision, Inc., creates the world’s leading Spanish-language media and content company. TelevisaUnivision produces and delivers premium content for its own platforms and for others, while also providing innovative solutions for advertisers and distributors globally. As a result of the TelevisaUnivision Transaction, TelevisaUnivision reaches nearly 60% of the respective TV audiences in both the U.S. and Mexico. Across television, digital, streaming, and audio, the Company reaches over 100 million Spanish speakers every day, holding leading positions in both markets.

## **2. Summary of Significant Accounting Policies**

*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 interim financial statements should be read in conjunction with the audited consolidated financial statements in the Company’s 2023 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. Non-controlling interests have been recognized where a controlling interest exists, but the Company owns less than 100% of the controlled entity. Non-controlling interest is recorded for the portion of an investment’s equity which is not controlled by the Company. The Company has consolidated the special purpose entities associated with its accounts receivable facility (see Note 13. *Debt*). 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, net" in the accompanying consolidated statements of operations of the Company. 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. A security will be considered identical or similar if it has identical or similar rights to the equity securities held by the Company. The Company reviews its investments in equity securities without readily determinable fair values for impairment each reporting period when there are qualitative factors or events that indicate possible impairment. Factors the Company considers in making this determination include negative changes in industry and market conditions, financial performance, business prospects, and other relevant events and factors. When indicators of impairment exist, the Company prepares quantitative assessments of the fair value of its investments in equity securities, which require judgment and the use of estimates. When the Company's assessment indicates that the fair value of the investment is below its carrying amount, the Company writes down the investment to its fair value and records the corresponding charge in "Other, net", within the Company's consolidated statements of operations.

*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: estimated credit losses, business combinations, shared-based compensation, the valuation of derivatives, pension and post-retirement benefits, lease assets and liabilities, investments, property, plant and equipment, definite lived intangibles, the recoverability of goodwill and indefinite-lived intangible assets; amortization of program rights and prepayments; the fair value of equity securities without readily determinable fair values; and reserves for income tax uncertainties and other contingencies.

*Foreign Currency*—The reporting currency of the Company is the U.S. dollar. The functional currency of most of the Company's international subsidiaries is the local currency. Financial statements of subsidiaries whose functional currency is not the U.S. dollar are translated at exchange rates in effect at the balance sheet date for assets and liabilities and at average exchange rates for revenues and expenses for the respective periods. Translation adjustments are recorded in accumulated other comprehensive income (loss). Foreign currency transaction gains and losses resulting from the conversion of the transaction currency to functional currency are included in "Other, net". For the three and six months ended June 30, 2024, the Company recorded total foreign currency transactions gain of \$(4.4) million and a loss of \$1.1 million within "Other, net" within the Company's consolidated statement of operations, respectively. For the three and six months ended June 30, 2023, the Company recorded total foreign currency transactions gain of \$(5.4) million and \$(16.5) million within "Other, net" within the Company's consolidated statement of operations, respectively.

*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*—Revenue is recognized upon transfer of control of promised services or goods to customers in an amount that reflects the consideration that the Company expects to receive in exchange for those services or goods. Revenues do not include taxes collected from customers on behalf of taxing authorities such as sales tax and value-added tax.

**Advertising**—The Company generates advertising revenue from the sale of commercial time 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 our various digital properties. 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 guaranteed 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.

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 related to U.S. broadcasting operations are 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 (primarily sponsorship) is recognized over the period that the advertisement run. “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.

**Subscriber Fee**—Subscriber fee 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. Subscriber fee revenue is principally comprised of fees received from multichannel video programming distributors (“MVPDs”) and third-party live streaming services (“virtual MVPD’s”) for authorizing carriage of the Company’s networks and for 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 and vMVPDs 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. Subscriber fee 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. Subscriber fees received from cable and satellite MVPDs are recognized as revenue in the period during which services are provided. 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.

Additionally, the Company’s subscriber fee revenue includes monthly fees related to access to our SVOD global streaming platform. Subscribers are billed on a monthly basis in advance of obtaining access to the platform. Subscription fees related to the SVOD service are recognized ratably over the term of the subscription.

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.

**Program Licensing**—The Company licenses programming content for digital streaming and to other cable and satellite providers. Program 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 program 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.

**Sublease income**—The Company has operating subleases which have been accounted for by reference to the underlying asset subject to the lease. For the three and six months ended June 30, 2024, the Company recorded total sublease income associated with operating leases of \$1.6 million and \$3.2 million, respectively, primarily recorded as an offset to the rent expense in Restructuring, severance and related charges within the Company’s consolidated statement of operations. For the three and six months ended

June 30, 2023, the Company recorded total sublease income associated with operating leases of \$2.4 million and \$4.8 million, respectively, primarily recorded as an offset to the rent expense in Restructuring, severance and related charges within the Company's consolidated statement of operations.

*Program rights and prepayments*—The Company produces and acquires program rights to exhibit programming on its broadcast and cable networks and one digital streaming platform. Program rights principally consist of television series, specials, movies, and sporting events. Program rights aired on the Company's broadcast and cable networks and digital streaming platforms is sourced from a wide range of third-party producers, wholly-owned production studios, and sports associations. Costs for internally-produced and acquired programming rights, including prepayments for such costs, are recorded within the non-current portion of "Program rights and prepayments" on the consolidated balance sheet, with the exception of content acquired with an initial license period of 12 months or less and prepaid sports rights expected to air within 12 months.

The Company capitalizes costs for produced program rights, including direct production costs, development costs, print costs, and production overhead, of original programs when incurred. For licensed program rights, the costs incurred to acquire programming are capitalized as a program right and prepayment and a corresponding liability payable to the licensor are recorded 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. Programming rights and prepayments includes advance payments for rights to air sporting events that will take place in the future.

For purposes of amortization and impairment, the capitalized content costs are classified based on their predominant monetization strategy. Programs rights are either monetized individually or as part of a film group. The substantial majority of our program rights and prepayments are predominantly monetized as a film group on our broadcast and cable networks or on our digital streaming platform. For programming rights that are predominantly monetized as part of our broadcast and cable networks film group, which includes licensed content and internally-produced television programs, capitalized costs are amortized based on an estimate of the timing of our usage of and benefit from such programming, generally resulting in an accelerated or straight-line amortization pattern. Programming rights that are predominantly monetized as part of our digital streaming platform due to a lack of historical information with respect to usage pattern on our digital platform are generally amortized on a straight-line basis over an initial estimated economic life of six (6) years or the lesser of a license period, if applicable. As we obtain more historical information, our estimate used to amortize our programming rights monetized on our digital streaming platform will be adjusted as necessary. Adjustments to projected usage are applied prospectively in the period of the change. Such changes in the future could be material. Programming costs that are predominantly monetized on an individual basis are amortized 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. Licensed content for multi-year sports programming arrangements are generally amortized over the license period based on the ratio of current-period direct revenue to estimated remaining total direct revenue over the remaining contract period. Licensed content costs for entertainment programming are generally amortized over the shorter of the estimated period of benefit or licensed period. Amortization expense of program rights and prepayments is included in "Direct Operating Expense," in the Company's consolidated statement of operations.

All program rights and prepayments on the Company's balance sheet are subject to regular recoverability assessments. The Company has a three-year development cycle which begins with the initial capitalization of the development costs. Film development costs that have not been set for production are expensed within three years unless they are abandoned earlier, in which case these projects are written down to their estimated fair value in the period the decision to abandon the project is determined.

The Company's predominant monetization strategy determines how the impairment testing is performed for program rights and prepayments whenever events or changes in circumstances indicate that the carrying amount of content monetized on its own or as a film group may exceed its estimated fair value. In addition, a change in the predominant monetization strategy is considered a triggering event for impairment testing before a title is accounted for as part of a film group. If the carrying amount of an individual monetized content or film group, exceeds the estimated fair value, an impairment charge will be recorded in the amount of the difference. For content that is predominately monetized individually, we utilize estimates including ultimate revenues and additional costs to be incurred (including exploitation and participation costs), in order to determine whether the carrying amount of the program rights is impaired. In the event the Company decides not to air a program, an impairment loss reducing the corresponding asset to zero is recorded to reflect the programming asset abandonment.

*Accounting for goodwill, other intangibles and long-lived assets*—Goodwill and other intangible assets with indefinite lives are tested annually for impairment on October 1 or more frequently if circumstances indicate a possible impairment exists.

The Company first assesses the qualitative factors for reporting units that carry goodwill. A reporting unit is defined as an operating segment or one level below an operating segment. In performing a qualitative assessment, the Company considers relevant events and circumstances that could affect the reporting unit fair value. These circumstances may include macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, and entity-specific events, business plans, and strategy. The Company considers the totality of these events, in the context of the reporting unit, and determines if it is more likely than not that the fair value of the reporting unit is less than its carrying amount. If the qualitative assessment results in a conclusion that it is more likely than not that the fair value of a reporting unit exceeds the carrying amount, then no further testing is performed for that reporting unit.

When a qualitative assessment is not used, or if the qualitative assessment is not conclusive and it is necessary to calculate fair value of a reporting unit, then the impairment analysis for goodwill is performed at the reporting unit level. The quantitative impairment test is used to identify potential impairment by comparing the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying value exceeds the fair value, an impairment charge is recognized equal to the difference between the carrying value of the reporting unit and its fair value, considering the related income tax effect of any goodwill deductible for tax purpose.

In performing the quantitative assessment, we measure the fair value of the reporting unit using a combination of the income and market approaches. The assessment requires us to make judgments and involves the use of significant estimates and assumptions. Under the income approach, the Company calculates the present value of the reporting unit's estimated future cash flows (discounted cash flow analysis). Significant estimates and assumptions include the amount and timing of expected future cash flow, risk-adjusted discount rates based on a weighted-average cost of capital ("WACC") adjusted for the relevant risk associated with business-specific characteristics and the uncertainty related to the reporting unit's ability to execute on its projected cash flows. The expected cash flows used in the income approach are based on the Company's most recent forecast and budget and, for years beyond the budget, the Company's estimates, which are based, in part, on forecasted growth rates. Assumptions used in the estimate of future cash flows, including the WACC, are assessed based on the reporting units' current results and forecasted future performance, as well as macroeconomic and industry specific factors.

Determining fair value using a market approach considers multiples of financial metrics based on both acquisitions and trading multiples of a selected peer group of companies. From the comparable companies, a representative market multiple is determined which is applied to financial metrics to estimate the fair value of a reporting unit.

The Company also has indefinite-lived intangible assets, such as television and radio broadcast licenses and tradenames. The Company's United States television and radio broadcast licenses have indefinite lives because the Company expects to renew them and renewals are routinely granted with little cost, provided that the licensee has complied with the applicable rules and regulations of the Federal Communications Commission ("FCC"). Historically, all material television and radio licenses that have been up for renewal have been renewed. The Company is unable to predict the effect that further technological changes will have on the television and radio industry or the future results of its television and radio broadcast businesses. Indefinite-lived intangible assets are tested for impairment annually or more frequently if circumstances indicate a possible impairment exists.

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. The Company's broadcast license impairment testing, significant unobservable inputs utilized included discount rates and terminal growth rates. 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.

*Univision Network* and *UniMás* network programming is broadcast on the television stations. FCC broadcast licenses associated with the *Univision Network* and *UniMás* stations are tested for impairment at their respective network level. Broadcast licenses for television stations that are not dependent on network programming are tested for impairment at the local market level. Radio broadcast licenses are tested for impairment at the local market level.

The Company has the option to first assess qualitative factors to determine whether it is more likely than not that an indefinite-lived intangible asset is impaired as a basis for determining whether it is necessary to perform the quantitative impairment test. If the qualitative assessment determines that it is more likely than not that the fair value of the intangible asset is more than its carrying amount, then the Company concludes that the intangible asset is not impaired.

If the Company does not choose to perform the qualitative assessment, or if the qualitative assessment determines that it is more likely than not that the fair value of the indefinite-lived intangible asset is less than its carrying amount, then the Company calculates the fair value of the intangible asset and compares it to the corresponding carrying value. If the carrying amount of the indefinite-lived intangible asset exceeds its fair value, an impairment loss is recognized for the excess carrying value over the fair value.

Long-lived assets, such as property and equipment, intangible assets with definite lives, channel-sharing arrangements and program right prepayments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset 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 flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset.

*Employee benefits*—The Company maintains a defined benefit retirement pension plan and seniority premium plan that covers Mexican based employees. Under the provisions of the Mexican Labor Law, seniority premiums plans are payable based on salary and years of service to employees who resign or are terminated prior to reaching retirement age. After retirement age, employees are no longer eligible for seniority premiums plans. The Company has legal indemnity employee benefit that required by Mexican Labor Law and it covers employees who are dismissed unjustifiably. Such employees receive up to three months of salary, plus 20 days of salary for each year of service.

We recognize the funded status of defined benefit postretirement plans in the consolidated balance sheet. The funded status is measured as the difference between the fair value of plan assets and the projected benefit obligation. We recognize the net changes in the funded status of these plans as a component of Other Comprehensive (Loss) Income in the year in which such changes occur. Actuarial gains and losses in excess of 10% of the greater of the benefit obligation or the market value of plan assets are amortized over the average remaining service period of active employees or the remaining average expected life if a plan's participants are predominantly inactive.

These post-employment benefits are funded through Company contributions to irrevocable trusts. These post-employment benefits increase or decrease based upon actuarial calculations. Contributions to the trusts are determined in accordance with actuarial estimates of funding requirements. Payments of post-employment benefits are made by the trust administrators. The defined benefit obligation is calculated annually using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

*Securitizations*—Securitization transactions in connection with the Company's accounts receivable facility are classified as debt on the Company's consolidated balance sheet and the related consolidated 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 accounts receivable facility.

*Pending accounting guidance* — In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, *Segment reporting (ASC 280): Reportable Segment Disclosures* to enhance disclosure of segment information on an annual and interim basis for all public entities to enable investors to develop more decision-useful financial analyses. The ASU does not change how a public entity identifies its operating segments, aggregates those operating segments, or applies the quantitative thresholds to determine its reportable segments. The provisions of ASU 2023-07 are effective for fiscal years

beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted, and the amendments in this update are required to be applied retrospectively to all periods presented in the financial statements, unless it is impracticable. The company is currently evaluating the potential impact that adopting this guidance could have on its consolidated financial statements.

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, *Income Taxes (ASC 740): Improvements to Income Tax Disclosures* which requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The standard is intended to benefit investors by providing more detailed income tax disclosures that would be useful in making capital allocation decisions. The provisions of ASU 2023-09 are effective for fiscal years beginning after December 15, 2024, with early adoption permitted, including adoption in an interim period. 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 August 7, 2024, the date the financial statements were issued.

### 3. TelevisaUnivision Transaction

The TelevisaUnivision Transaction discussed in Note 1. *Company Background* was accounted for in accordance with the acquisition method of accounting pursuant to ASC 805. The Company recorded the fair value of the assets acquired and liabilities assumed as of the acquisition date, January 31, 2022. Under the acquisition method of accounting, \$2,279.6 million excess of the fair value relating to the net assets and liabilities of the Company was recorded as goodwill. The fair value of assets acquired and liabilities assumed was determined based on assumptions that a reasonable market participants would use in the principal (or most advantageous) market for the asset or liability. The Company completed the purchase accounting for the TelevisaUnivision Transaction during first quarter of 2023.

### 4. 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:

	June 30, 2024	December 31, 2023	June 30, 2023
Cash and cash equivalents.....	\$ 240,100	\$ 220,900	\$ 345,700
Restricted cash included in Prepaid expenses and other.....	100	5,100	5,100
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 ..	<u>\$ 241,700</u>	<u>\$ 227,500</u>	<u>\$ 352,300</u>

Amounts included in restricted cash within "Prepaid expenses and other" and "Other assets" as of June 30, 2024 pertain to escrow amounts for certain lease and grant payments. Amounts included in restricted cash within "Prepaid expenses and other" and "Other assets" as of December 31, 2023 and June 30, 2023 pertain to escrow amounts for certain lease, grant payments and transition service agreement on the non-strategic radio stations sold on December 30, 2022.

## 5. Property and Equipment

Property and equipment consists of the following:

	June 30, 2024		
	U.S.	Mexico	Total
Land and improvements .....	\$ 66,200	\$ 29,300	\$ 95,500
Buildings and improvements .....	351,900	19,900	371,800
Broadcast and production equipment .....	449,600	190,500	640,100
Furniture, computer and other equipment .....	423,600	135,300	558,900
Land, building, transponder equipment and vehicles financed with finance leases .....	58,200	483,800	542,000
	<u>1,349,500</u>	<u>858,800</u>	<u>2,208,300</u>
Accumulated depreciation .....	(961,500)	(171,900)	(1,133,400)
Property and equipment, net .....	<u>\$ 388,000</u>	<u>\$ 686,900</u>	<u>\$ 1,074,900</u>

  

	December 31, 2023		
	U.S.	Mexico	Total
Land and improvements .....	\$ 65,100	\$ 31,700	\$ 96,800
Buildings and improvements .....	350,700	26,900	377,600
Broadcast and production equipment .....	441,400	197,100	638,500
Furniture, computer and other equipment .....	414,800	139,300	554,100
Land, building, transponder equipment and vehicles financed with finance leases .....	51,000	511,800	562,800
	<u>1,323,000</u>	<u>906,800</u>	<u>2,229,800</u>
Accumulated depreciation .....	(913,200)	(114,000)	(1,027,200)
Property and equipment, net .....	<u>\$ 409,800</u>	<u>\$ 792,800</u>	<u>\$ 1,202,600</u>

Depreciation expense on property and equipment was \$46.8 million and \$112.1 million during the three and six months ended June 30, 2024, respectively. Depreciation expense on property and equipment was \$61.4 million and \$111.3 million during the three and six months ended June 30, 2023, respectively.

## 6. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following:

	June 30, 2024	December 31, 2023
Trade accounts payable .....	\$ 217,300	\$ 239,400
Accrued compensation .....	166,200	205,500
Program rights obligations .....	79,400	119,300
Related party obligations (See Note 12) .....	35,300	101,300
Accrued Value Added Tax payable .....	90,300	83,100
Accrued interest .....	65,500	64,500
Studio production payable .....	46,700	35,700
Accrued restructuring, severance and related charges .....	19,400	29,400
Income tax payable .....	8,500	27,600
Accrued revenue obligations .....	14,900	17,400
Other accounts payable and accrued liabilities .....	194,400	251,400
	<u>\$ 937,900</u>	<u>\$ 1,174,600</u>



## Restructuring, Severance and Related Charges

The Company's restructuring, severance and related charges, net of reversals, for:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Restructuring:				
Activities initiated in 2020 and prior .....	\$ 700	\$ 2,100	\$ 2,000	\$ 3,200
Activities related to recent acquisitions .....	(2,800)	12,000	2,500	15,200
Severance for individual employees and related charges .....	7,100	—	7,100	—
Total restructuring, severance, and related charges	<u>\$ 5,000</u>	<u>\$ 14,100</u>	<u>\$ 11,600</u>	<u>\$ 18,400</u>

The restructuring activities initiated in 2020 and prior were primarily intended to rationalize costs, including lease related expenses for leased properties no longer used. Future charges arising from additional activities associated with these restructuring activities cannot be estimated but are not expected to be material.

Severance for individual employees and related charges relate primarily to severance arrangements with former employees unrelated to the Company's restructuring activities.

The following tables present the restructuring charges, net of reversals, by segment for:

	Three Months Ended June 30, 2024			Six Months Ended June 30, 2024		
	Employee Termination Benefits	Contract Termination Costs/Other	Total	Employee Termination Benefits	Contract Termination Costs/Other	Total
<b><u>Charges Resulting From Restructuring Activities Initiated in 2020 and Prior</u></b>						
Media and Entertainment	\$ —	\$ 1,000	\$ 1,000	\$ —	\$ 2,000	\$ 2,000
Corporate	—	(300)	(300)	—	—	—
<b><u>Charges Related to Recent Acquisitions</u></b>						
Media and Entertainment	(1,900)	—	(1,900)	(400)	—	(400)
Corporate	(1,300)	400	(900)	(700)	3,600	2,900
Consolidated	<u>\$ (3,200)</u>	<u>\$ 1,100</u>	<u>\$ (2,100)</u>	<u>\$ (1,100)</u>	<u>\$ 5,600</u>	<u>\$ 4,500</u>

  

	Three Months Ended June 30, 2023			Six Months Ended June 30, 2023		
	Employee Termination Benefits	Contract Termination Costs/Other	Total	Employee Termination Benefits	Contract Termination Costs/Other	Total
<b><u>Charges Resulting From Restructuring Activities Initiated in 2020 and Prior</u></b>						
Media and Entertainment	\$ —	\$ 200	\$ 200	\$ —	\$ 1,100	\$ 1,100
Corporate	—	1,900	1,900	—	2,100	2,100
<b><u>Charges Related to Recent Acquisitions</u></b>						
Media and Entertainment	5,900	100	6,000	\$ 7,800	\$ 200	8,000
Corporate	4,000	2,000	6,000	\$ 5,000	\$ 2,200	7,200
Consolidated	<u>\$ 9,900</u>	<u>\$ 4,200</u>	<u>\$ 14,100</u>	<u>\$ 12,800</u>	<u>\$ 5,600</u>	<u>\$ 18,400</u>

The following tables present the activity in the restructuring liabilities for the six months ended June 30, 2024 and 2023:

	Accrued Restructuring as of December 31, 2023	Restructuring Expense	Reversals	Cash Payments and Other	Accrued Restructuring as of June 30, 2024
<b><u>Restructuring Activities Initiated in 2020 and Prior</u></b>					
Employee termination benefits .....	\$ 500	\$ —	\$ —	\$ —	\$ 500
Contract termination costs/other .....	—	2,000	—	(2,000)	—
<b><u>Restructuring Activities Related to Recent Acquisitions</u></b>					
Employee termination benefits .....	27,200	1,100	(2,200)	(10,200)	15,900
Contract termination costs/other .....	1,700	3,600	—	(3,700)	1,600
Consolidated .....	<u>\$ 29,400</u>	<u>\$ 6,700</u>	<u>\$ (2,200)</u>	<u>\$ (15,900)</u>	<u>\$ 18,000</u>

	Accrued Restructuring as of December 31, 2022	Restructuring Expense	Reversals	Cash Payments and Other	Accrued Restructuring as of June 30, 2023
<b><u>Restructuring Activities Initiated in 2020 and Prior</u></b>					
Employee termination benefits .....	\$ 500	\$ —	\$ —	\$ —	\$ 500
Contract termination costs/other .....	—	3,200	—	(3,200)	—
<b><u>Restructuring Activities Related to Recent Acquisitions</u></b>					
Employee termination benefits .....	23,700	15,100	(2,300)	(17,500)	19,000
Contract termination costs/other .....	2,400	3,500	(1,100)	(800)	4,000
Consolidated .....	<u>\$ 26,600</u>	<u>\$ 21,800</u>	<u>\$ (3,400)</u>	<u>\$ (21,500)</u>	<u>\$ 23,500</u>

Employee termination benefits accrued as of June 30, 2024 are expected to be paid within twelve months from June 30, 2024. Contract termination costs and other costs primarily relate to non-employees related items and lease obligations for leased properties no longer used. All of the restructuring activities accrued as of June 30, 2024 and December 31, 2023 are included in current liabilities on the consolidated balance sheet.

## 7. 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 investments made in companies in exchange for advertising services. The Company also has non-cash deferred revenue in connection with an obligation to Televisa to provide future advertising and promotion time. See Note 12. *Related Party Transactions*, under the heading “Televisa.”

The following table presents the deferred revenue for the Media and Entertainment segment as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
<i>Current portion</i>		
Deferred advertising revenue .....	\$ 437,900	\$ 234,600
Televisa deferred advertising revenue .....	11,000	10,600
Other deferred revenue .....	44,600	38,900
Total current deferred revenue .....	<u>\$ 493,500</u>	<u>\$ 284,100</u>
<i>Non-current portion</i>		
Deferred advertising and licensing revenue .....	\$ 71,100	\$ 47,200
Televisa deferred advertising .....	10,200	15,600
Other deferred revenue .....	15,100	15,500
Total non-current deferred revenue .....	<u>\$ 96,400</u>	<u>\$ 78,300</u>
Total deferred revenue .....	<u><u>\$ 589,900</u></u>	<u><u>\$ 362,400</u></u>

During the three and six months ended June 30, 2024, approximately \$16.0 million and \$219.5 million of revenue was recognized that was included in the deferred revenue balance at December 31, 2023, respectively. During the three and six months ended June 30, 2023, approximately \$48.0 million and \$187.9 million of revenue was recognized that was included in the deferred revenue balance at December 31, 2022, respectively. The recognized revenue includes \$19.1 million and \$32.3 million for the three and six months ended June 30, 2024, respectively, in connection with investments made in companies in exchange for advertising services and non cash advertising services provided to Televisa. The recognized revenue includes \$6.6 million, and \$10.7 million for the three and six months ended June 30, 2023, respectively, in connection with investments made in companies in exchange for advertising services and non cash advertising services provided to Televisa. (See Note 12. *Related Party Transactions*).

## 8. Program Rights and Prepayments

The table below presents the components of the Company's program rights and prepayments:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
<b>Film group monetization</b>		
Internally produced program rights .....		
Completed and released .....	\$ 479,300	\$ 328,800
Completed and not released .....	21,900	16,600
In-production .....	253,700	353,000
Licensed movies and series program rights .....	271,500	309,900
<b>Individual monetization</b>		
Licensed program rights and prepayments including sports rights .....	358,900	273,100
Total program rights and prepayments, at cost .....	<u>1,385,300</u>	<u>1,281,400</u>
Current portion .....	(147,900)	(116,000)
Non-current portion .....	<u><u>\$ 1,237,400</u></u>	<u><u>\$ 1,165,400</u></u>

Program rights amortization is recorded in direct operating expense and program rights impairments are recorded in the impairment loss line within consolidated statement of operations as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Film group monetization:				
Program rights amortization .....	\$ 150,000	\$ 145,800	\$ 318,700	\$ 266,200
Program rights impairment .....	9,400	200	10,400	400
Individual monetization:				
Program rights amortization .....	98,400	99,200	157,400	162,900
Total program rights amortization and impairment expense .....	<u>\$ 257,800</u>	<u>\$ 245,200</u>	<u>\$ 486,500</u>	<u>\$ 429,500</u>

The Company recorded impairment loss on abandoned program rights due to poor performance and will not be aired in future.

## 9. 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 Receivable*—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 our various digital properties. In addition, accounts receivable arise through subscriber fee 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. Subscriber fee revenue is principally comprised of fees received from MVPDs and vMVPDs 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 credit losses:

	Balance as of December 31, 2023	Provision for expected credit losses	Write-offs	Recoveries	Foreign currency exchange rate impact and others	Balance as of June 30, 2024
Allowance for Credit Losses .....	\$ 31,200	\$ 16,500	\$ (5,100)	\$ (3,000)	\$ 4,800	\$ 44,400

  

	Balance as of December 31, 2022	Provision for expected credit losses	Write-offs	Recoveries	Foreign currency exchange rate impact and others	Balance as of June 30, 2023
Allowance for Credit Losses .....	\$ 25,800	\$ 9,900	\$ (1,300)	\$ (21,200)	\$ 1,300	\$ 14,500

*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 14. *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 Secured Overnight Financing Rate (“SOFR”) 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.

*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 10. *Investments*. The Company holds equity positions in several small early-stage entities which may not have readily determinable fair values. The Company enters into these investments in exchange for advertising services and cash. 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. When indicators of impairment exist for these investments, the Company prepares quantitative assessments of the fair value of its investments in equity securities, which require judgment and the use of estimates that are generally based on unobservable Level 3 inputs.

*Asset measured at fair value on a nonrecurring basis*—The Company’s non-financial assets, such as goodwill, intangible assets, right of use assets, property and equipment, are adjusted to fair value when an impairment is recognized and purchase accounting occurs. The Company’s financial assets, comprising equity securities without readily determinable fair values, are adjusted to fair value when observable price changes are identified or an impairment is recognized. Such fair value measurements are based predominantly on Level 3 inputs.

*Fair Value of Debt Instruments*—The carrying amount and fair value of the Company’s debt instruments as of June 30, 2024 and December 31, 2023 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). See Note 13. *Debt* for information on recent financing transactions.

	As of June 30, 2024	
	Carrying Amount	Fair Value
Replacement bank senior secured revolving credit facility maturing in 2025 .....	\$ —	\$ —
Replacement bank senior secured revolving credit facility maturing in 2027 .....	—	—
Bank senior secured term loan facility maturing in 2026 .....	900,300	906,100
2022 Term Loan A Facility maturing in 2027 .....	827,300	809,700
2022 Bank senior secured term loan facility maturing in January 2029 .....	993,800	1,012,300
2024 Bank senior secured term loan facility maturing in January 2029 .....	490,600	493,100
2022 Term Loan B Facility maturing in June 2029 .....	477,300	489,400
Senior Secured Notes:		
6.625% Senior Secured Notes due 2027 .....	1,553,500	1,434,700
8.000% Senior Secured Notes due 2028 .....	1,432,900	1,399,700
4.500% Senior Secured Notes due 2029 .....	1,038,100	880,700
7.375% Senior Secured Notes due 2030 .....	893,100	836,200
8.500% Senior Secured Notes due 2031 .....	495,400	483,900
Accounts receivable facility maturing in 2026 .....	100,000	100,000
Note payable with Grupo Televisa .....	183,400	193,300
Other long-term debt .....	6,300	6,300
	<u>\$ 9,392,000</u>	<u>\$ 9,045,400</u>

	As of December 31, 2023	
	Carrying Amount	Fair Value
Replacement bank senior secured revolving credit facility maturing in 2025 .....	\$ —	\$ —
Replacement bank senior secured revolving credit facility maturing in 2027 .....	—	—
Bank senior secured term loan facility maturing in 2026 .....	1,899,700	1,917,100
2022 Term Loan A Facility maturing in 2027 .....	750,500	752,700
2022 Bank senior secured term loan facility maturing in January 2029 .....	995,500	1,027,800
2022 Term Loan B Facility maturing in June 2029 .....	478,300	493,100
Senior Secured Notes:		
5.125% Senior Secured Notes due 2025 .....	342,500	340,200
6.625% Senior Secured Notes due 2027 .....	1,561,900	1,494,100
8.000% Senior Secured Notes due 2028 .....	1,191,100	1,239,300
4.500% Senior Secured Notes due 2029 .....	1,036,800	938,700
7.375% Senior Secured Notes due 2030 .....	892,500	898,900
Accounts receivable facility maturing in 2026 .....	100,000	100,000
Note payable with Grupo Televisa .....	198,700	209,500
Other long-term debt .....	7,100	7,100
	<u>\$ 9,454,600</u>	<u>\$ 9,418,500</u>

## 10. Investments

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

	June 30, 2024	December 31, 2023
Entravision .....	\$ 19,000	\$ 39,000
Equity method investments .....	1,300	1,600
Equity investments without readily determinable values .....	268,000	238,700
Total investments .....	<u>\$ 288,300</u>	<u>\$ 279,300</u>

### *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 Company considers these Class U shares to have a readily determinable fair value based on Entravision's Class A shares. The fair value of the Company's investment of Entravision as of June 30, 2024 is \$19.0 million and as of December 31, 2023 was \$39.0 million. The Company, for the three and six months ended June 30, 2024, recorded a gain of \$3.7 million and a loss of \$20.0 million, respectively, in "Other, net" within the Company's consolidated statements of operations to reflect changes in the fair value of Entravision's shares. The Company, for the three and six months ended June 30, 2023, recorded a loss of \$15.5 million and \$3.8 million, respectively, in "Other, net" within the Company's consolidated statements of operations to reflect changes in the fair value of Entravision's shares.

### *Equity Method Investments*

#### *Combate*

The Company holds a 9.0% equity interest in Combate Americas, LLC ("Combate") a premier Hispanic Mixed Martial Arts sports franchise and includes reality TV programming, live events and mobile programming. The Company fully impaired the Combate investment during the quarter ended December 31, 2023. The Company recorded \$0.4 million share of its equity loss for the three and six months ended June 30, 2023 in "Other, net" within the Company's consolidated statements of operations.

### *Equity investments without readily determinable fair values*

The Company holds several equity positions in small early-stage entities in various industries and these equity investment do not have readily determinable fair values. During the three and six months ended June 30, 2024 the Company made additional investments of \$9.7 million and \$29.2 million, respectively, which included \$9.7 million and \$29.2 million of non-cash consideration in each respective period. During the three and six months ended June 30, 2023 the Company made additional investments of \$55.1 million and \$83.7 million, respectively, which included \$30.0 million and \$35.0 million of non-cash consideration in each respective period.

The Company had no unrealized pre-tax gains and losses for the three and six months ended June 30, 2024 and June 30, 2023 in “Other, net” within the Company’s consolidated statements of operations as adjustments to the carrying amounts of equity securities without readily determinable fair values. The cumulative upward and downward adjustments (including impairments) to the carrying amount of equity securities without readily determinable fair values at June 30, 2024 and June 30, 2023 were \$37.3 million and \$20.2 million, respectively.

### *Gain on disposal of investment*

The Company for the three and six months ended June 30, 2024, recorded a realized gain of zero and \$8.7 million, respectively, in “Other, net” within the Company’s consolidated statements of operations from a disposal of an investment that had no carrying amount. The Company for the three and six months ended June 30, 2023, did not record a realized gain in “Other, net” within the Company’s consolidated statements of operations from a disposal of an investment that had no carrying amount.

## **11. Pantaya Acquisition**

The Company completed the acquisition of Pantaya, LLC (“Pantaya”), a U.S. streaming platform focused on Spanish-language content, which was accounted for in accordance with the acquisition method of accounting pursuant to ASC 805. The Company recorded the fair value of the assets acquired and liabilities assumed as of the acquisition date, September 12, 2022. Under the acquisition method of accounting, \$108.9 million excess of the fair value relating to the net assets and liabilities of the Company was recorded as goodwill. The fair value of assets acquired and liabilities assumed was determined based on assumptions that a reasonable market participant would use in the principal (or most advantageous) market for the asset or liability. The final purchase consideration of \$151.2 million was comprised of \$120.2 million cash consideration and the fair value of the Puerto Rican radio assets transferred on August 31, 2023 after obtaining FCC approval. During 2023, the Company completed the purchase accounting for the Pantaya, which resulted in a goodwill increase of \$12.1 million. The Pantaya acquisition enhanced our ongoing digital transformation by bringing together highly complementary streaming assets and building up our subscriber base.

## **12. Related Party Transactions**

### **Televisa, Searchlight, ForgeLight, Liberty and Google**

#### *Management Services Agreement*

An affiliate of ForgeLight (the “Consultant”) and the Company’s Chief Executive Officer, Mr. Wade Davis, have entered into a management services agreement with UHI and the Company dated January 28, 2021. The term of the management services agreement is indefinite, subject to certain rights of termination and resignation by either party. In compensation for the services provided under the management services agreement, the Company has agreed to pay the Consultant an annual management services fee of \$3.0 million, a supplemental fee in a target amount of 100% of the management services fee, certain aircraft allowances and certain other benefits. In addition, the Consultant holds an equity grant of Class C subordinated common stock of 842,128 shares of TelevisaUnivision. The shares of Class C subordinated common stock issued in the equity grant are subject to time-based vesting and automatic vesting upon the occurrence of certain specified events. As of June 30, 2024, the Consultant has vested in 631,596 of the Class C subordinated stock. If the Consultant is terminated or resigns under certain circumstances, TelevisaUnivision has agreed to pay a termination fee of 150% of the management services fee over the twelve months following such termination or resignation and a prorated portion of the supplemental fee.

#### *Google Agreements*

In connection with the TelevisaUnivision Transaction, on January 31, 2022, Google LLC (“Google”) became an investor in TelevisaUnivision. As of June 30, 2024, Google held 14.9% of TelevisaUnivision’s Series C preferred shares. In addition, during

2021, the Company and certain of its Affiliates entered into a suite of commercial agreements with Google and certain of its Affiliates, to provide the Company with the technology framework necessary for the Company's engineering team to build its streaming platform for the ViX streaming services. These commercial arrangements include, most notably, a \$1.1 billion commitment to purchase Google's cloud services over eight years and a \$61.0 million commitment to purchase advertising and related services over five years. Later in 2021, the Company also entered into an agreement to launch its stations and services on Google's YouTubeTV vMVPD platform. Other ordinary course agreements between Google and the Company also exist, such as a market developer agreement for inclusion of the Company's streaming apps in Google's Play store.

#### *Pantaya Transaction*

On September 12, 2022, the Company acquired a 100% equity interest in Pantaya, LLC ("Pantaya") from a subsidiary of Searchlight, (see Note 11. *Pantaya Acquisition*). As part of this acquisition the Company signed an agreement with the subsidiary of Searchlight to provide certain consulting services related to the operations of the radio stations transferred as part of the Pantaya acquisition.

#### *Other Agreements and Transactions*

Pursuant to the Second Amended and Restated Stockholders Agreement, dated as of January 31, 2022 (as amended from time to time), entered into by the Company, TelevisaUnivision, UHI, and Broadcast Media Partners Holdings, Inc., with Searchlight, ForgeLight, Liberty, Google, Raine, Softbank, Televisa and other stockholders party thereto, the Company'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. There were no out-of-pocket expenses in 2024 or 2023.

Searchlight and ForgeLight are private investment firms that may have investments in companies that may do business with the Company.

#### **Televisa Transactions**

In conjunction with the TelevisaUnivision Transaction, the Company entered into an agreement to provide free advertising for use by Televisa and its subsidiaries at no cost for promotion of the soccer team and related assets of Club Fútbol América, S.A. de C.V., a subsidiary of Televisa, through the 2025/2026 Mexican soccer season, which was determined to have a fair value of \$45.7 million, with remaining amount deferred included in deferred revenue. (see Note 7. *Revenue Contract Balances*).

For the three and six months ended June 30, 2024, the Company satisfied its commitment to provide advertising and promotion time at no charge to Televisa for the periods resulting in revenue recognized of \$2.5 million and \$5.1 million, respectively. For the three and six months ended June 30, 2023, the Company satisfied its commitment to provide advertising and promotion time at no charge to Televisa for the periods resulting in revenue recognized of \$2.6 million and \$5.0 million, respectively. The deferred revenue is earned and revenue is recognized as advertising revenue as the related advertising and promotion time is provided.

The Company modified terms and conditions of an advertising revenue arrangement with Televisa affiliates, which resulted in the Company becoming a principal in these arrangements. Revenue was recognized on a gross basis effective January 1, 2024, the effect increased revenue by \$13.0 million and \$24.0 million for the three and six months ended June 30, 2024, respectively. For the three months ended June 30, 2024, the Company recorded gross advertising revenue and the related expenses of \$14.0 million and \$13.0 million, respectively. For the six months ended June 30, 2024, the Company recorded gross advertising revenue and advertising expenses of \$26.0 million and \$24.0 million, respectively. For the three and six months ended June 30, 2023, the Company recorded net advertising revenue of \$1.0 million and \$2.0 million, respectively.

As a result of the TelevisaUnivision Transaction, the Company and its subsidiaries, and Televisa and its subsidiaries, have entered into a number of commercial agreements with respect to certain broadcasting rights, licenses, leasing agreements, and transition services.



The following table lists the significant related party arrangements between the Company and Televisa and its affiliates as of June 30, 2024 and December 31, 2023:

Description	Consolidated Balance Sheet Location	June 30, 2024	December 31, 2023
Accounts receivable (a) .....	Accounts receivable, net	\$ 24,900	\$ 64,800
Prepaid assets .....	Prepaid expenses and other	25,500	—
Accrued expenses (a) .....	Accounts payable & accrued liabilities	35,300	101,300
Televisa deferred advertising - current .....	Deferred revenue	11,000	10,600
Televisa deferred advertising - non-current .....	Deferred revenue (non-current)	10,200	15,600
Note Payable - current .....	Current portion of long-term debt and finance lease obligations	97,900	106,100
Note Payable - non-current .....	Long-term debt and finance lease obligations	85,500	92,600
Finance lease obligation - current .....	Current portion of long-term debt and finance lease obligations	8,200	13,500
Finance lease obligation - non-current .....	Long-term debt and finance lease obligations	314,200	353,500
Accrued interest .....	Other long-term liabilities	83,800	74,800

(a) Accounts receivable primarily relates to advertising and subscription revenue with Televisa and its affiliates. The Company recognized \$78.8 million and \$175.7 million primarily of subscription revenue from Televisa for the three and six months ended June 30, 2024, respectively. The Company recognized \$102.5 million and \$175.0 million primarily of subscription revenue from Televisa for the three and six months ended June 30, 2023, respectively. The Company recognized \$33.0 million and \$67.6 million primarily related to depreciation expense and interest expense related to leases, interest expense related to the note payable and other administrated services from Televisa and its affiliates for the three and six months ended June 30, 2024. The Company recognized \$50.6 million and \$107.5 million primarily related to depreciation expense and interest expense related to leases, interest expense related to the note payable and other administrated services from Televisa and its affiliates for the three and six months ended June 30, 2023, respectively. Accrued expenses primarily relates to administrative services provided by Televisa and its affiliates, net of certain related party receivables. For the periods ended June 30, 2024 and December 31, 2023, the Company paid \$65.0 million and \$308.0 million, respectively to Televisa and its affiliates.

### 13. Debt

Long-term debt consists of the following:

	June 30, 2024	December 31, 2023
Replacement bank senior secured revolving credit facility maturing in 2025 .....	\$ —	\$ —
Replacement bank senior secured revolving credit facility maturing in 2027 .....	—	—
Bank senior secured term loan facility maturing in 2026 .....	900,300	1,899,700
2022 Term Loan A Facility maturing in 2027 .....	827,300	750,500
2022 Bank senior secured term loan facility maturing in January 2029 .....	993,800	995,500
2024 Bank senior secured term loan facility maturing in January 2029 .....	490,600	—
2022 Term Loan B Facility maturing in June 2029 .....	477,300	478,300
Senior Secured Notes:		
5.125% Senior Secured Notes due 2025 .....	—	342,500
6.625% Senior Secured Notes due 2027 .....	1,553,500	1,561,900
8.000% Senior Secured Notes due 2028 .....	1,432,900	1,191,100
4.500% Senior Secured Notes due 2029 .....	1,038,100	1,036,800
7.375% Senior Secured Notes due 2030 .....	893,100	892,500
8.500% Senior Secured Notes due 2031 .....	495,400	—
Accounts receivable facility maturing in 2026 .....	100,000	100,000
Note payable to Grupo Televisa .....	183,400	198,700
Finance lease .....	411,300	425,000
Other long-term debt .....	6,300	7,100
	<u>9,803,300</u>	<u>9,879,600</u>
Less current portion .....	<u>(201,400)</u>	<u>(308,500)</u>
Long-term debt and finance lease and other obligations .....	<u>\$ 9,601,900</u>	<u>\$ 9,571,100</u>

Approximately \$84.3 million and \$83.1 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 June 30, 2024 and December 31, 2023, respectively. At June 30, 2024 and December 31, 2023, other assets include \$0.9 million and \$1.0 million, respectively, of deferred financing costs related to the Company's revolving credit facilities.

The following table details the principal and carrying amounts of the Company's long-term debt as of June 30, 2024. The difference between principal and carrying amount is made up of the \$84.3 million of deferred financing costs discussed above and \$41.9 million of unamortized fair value adjustments resulting from the prior period purchase accounting and the premium or discount arising from the new debt issuance.

	Principal	Fair Value Adjustments/ (Discount) and (Deferred Financing Costs)	Carrying Amount
Bank senior secured term loan facility maturing in 2026	\$ 906,100	\$ (5,800)	\$ 900,300
2022 Term Loan A Facility maturing in 2027	831,500	(4,200)	827,300
2022 Bank senior secured term loan facility maturing in January 2029	1,026,400	(32,600)	993,800
2024 Bank senior secured term loan facility maturing in January 2029	500,000	(9,400)	490,600
2022 Term Loan B Facility maturing in June 2029	490,000	(12,700)	477,300
Senior Secured Notes:			
6.625% Senior Secured Notes due 2027	1,500,000	53,500	1,553,500
8.000% Senior Secured Notes due 2028	1,440,700	(7,800)	1,432,900
4.500% Senior Secured Notes due 2029	1,050,000	(11,900)	1,038,100
7.375% Senior Secured Notes due 2030	900,000	(6,900)	893,100
8.500% Senior Secured Notes due 2031	500,000	(4,600)	495,400
Accounts receivable facility maturing in 2026	100,000	—	100,000
Note payable with Grupo Televisa	183,400	—	183,400
Finance lease	411,300	—	411,300
Other long-term debt	6,300	—	6,300
Total	<u>\$ 9,845,700</u>	<u>\$ (42,400)</u>	<u>\$ 9,803,300</u>

## Debt Instruments

### 2024 Financing Transactions

On June 7, 2024, the Company issued \$500.0 million aggregate principal amount of its 8.500% senior notes due July 31, 2031 (the "2031 senior notes"). The Company concurrently used the proceeds to make a \$500.0 million partial repayment of the 2026 term loans.

On June 6, 2024, the Company entered into an amendment to its 2007 Credit Agreement, pursuant to which \$500.0 million aggregate principal amounts of its 2026 term loans was converted into a new tranche made up of a bank senior secured term loan facility maturing in 2029 (the "2029 new term loans"). The Company concurrently utilized the proceeds of the 2029 new term loans to make a \$500.0 million partial repayment of the 2026 term loans.

On January 22, 2024, the Company issued an additional \$240.7 million aggregate principal amount of its existing 8.000% senior notes due August 15, 2028 (the "additional 2028 senior notes"). The additional 2028 senior notes were issued under the same indenture governing the 2028 senior notes, have the same terms as the 2028 senior notes and are treated as a single series with the 2028 senior notes. The additional 2028 senior notes were priced at 101.000%. The Company concurrently used the proceeds to redeem all of the remaining outstanding 5.125% senior notes due 2025.

On January 4, 2024, the Company issued senior secured debt of \$100.0 million made up of a bank senior secured term loan A facility maturing in 2027 (subject to the Springing Maturity Date (as defined below)), which constitutes part of the same class of indebtedness as the Term Loan A Facility under the 2007 Credit Agreement (the "January 2024 Term Loan A Facility"). The Company concurrently utilized the proceeds of the January 2024 Term Loan A Facility to make a \$100.0 million partial redemption of the 5.125% senior notes due 2025.

## ***2023 Financing Transactions***

On December 18, 2023, the Company issued an additional \$700.0 million aggregate principal amount of its existing 8.000% senior notes due August 15, 2028 (the “December 2023 senior notes”). The December 2023 senior notes were issued under the same indenture governing the initial 2028 senior notes (as defined below), have the same terms as the initial 2028 senior notes and are treated as a single series with the initial 2028 notes. The December 2023 senior notes were priced at 100.500%. The Company concurrently used the proceeds to make a \$700.0 million partial redemption of the 5.125% senior notes due 2025.

On August 28, 2023, the Company issued senior secured debt of \$100.0 million made up of a bank senior secured term loan A facility maturing in 2027 (subject to the Springing Maturity Date (as defined below)), which constitutes part of the same class of indebtedness as the Term Loan A Facility under the 2007 Credit Agreement (the “August 2023 Term Loan A Facility”). The Company concurrently utilized the proceeds of the August 2023 Term Loan A Facility to make a \$100.0 million partial redemption of the 5.125% senior notes due 2025.

On August 7, 2023, the Company issued \$500.0 million 8.000% senior notes due August 15, 2028 (the “initial 2028 senior notes”). The Company concurrently used the proceeds to prepay all of the \$161.3 million the remaining balance of the bank senior secured term B facility maturing in 2024 (the “2024 term loans”) and to make a \$338.7 million partial redemption of the 5.125% senior notes due 2025.

On July 26, 2023, the Company issued senior secured debt of \$100.0 million made up of a bank senior secured term loan A facility maturing in 2027 (subject to the Springing Maturity Date (as defined below)), which constitutes part of the same class of indebtedness as the Term Loan A Facility under the 2007 Credit Agreement (the “July 2023 Term Loan A Facility”). The Company concurrently utilized the proceeds of the July 2023 Term Loan A Facility to make a \$100.0 million partial prepayment of the 2024 term loans.

On June 30, 2023, the Company issued senior secured debt of \$100.0 million made up entirely of a bank senior secured term loan A facility maturing in 2027 (subject to the Springing Maturity Date (as defined below)), which constitutes part of the same class of indebtedness as the Term Loan A Facility under the 2007 Credit Agreement (as defined below) (the “June 2023 Term Loan A Facility”). The Company utilized the proceeds of the June 2023 Term Loan A Facility to make a \$100.0 million partial prepayment of the 2024 term loans.

### ***Senior Secured Credit Facilities***

*Bank senior secured revolving credit facility* — At June 30, 2024, the Company had no outstanding balance on the bank revolving credit facility and the Company had \$610.0 million available for borrowing under its bank revolving credit facility following the June 2022 Amendment (as defined below).

On June 24, 2020, the Company entered into an amendment (the “June 2020 Amendment”) to the 2007 Credit Agreement governing the Company’s senior secured revolving credit facility and senior secured term loan facility, which are referred to collectively as the “Senior Secured Credit Facilities.” The June 2020 Amendment, among other things, (a) provided for a new class of revolving credit commitments that refinanced and decreased the commitments under the then existing revolving credit facility from \$850.0 million to \$610.0 million (with a letter of credit sub-facility thereunder of \$175.0 million), subject to an unused commitment fee in an amount equal to 0.35% per annum on the average unused daily revolving credit balance, which matures on April 30, 2025 (subject to an earlier maturity if certain indebtedness of the Company is not repaid or refinanced on or prior to the dates set forth in the credit agreement), and (b) facilitated the incurrence of replacement term loans in an aggregate principal amount of approximately \$2.0 billion (the “2026 term loans”) to refinance a portion of the 2024 term loans, with the replacement term loans having a maturity date of March 15, 2026 and amortizing at 1.0% per annum on a quarterly basis, commencing on September 30, 2020. The revolver drawings bear interest at SOFR (with no floor) and a margin of 3.75% per annum or an alternate base rate and a margin of 2.75% per annum (in each case, with leverage-based step downs consistent with the 2007 Credit Agreement), and the replacement term loans bear interest at SOFR (with a SOFR floor of 1.00% per annum) plus an applicable margin of 3.75% per annum or an alternate base rate and a margin of 2.75% per annum (with no leveraged-based step downs).

Approximately \$1,922.7 million of 2024 term loans were not amended in the June 2020 Amendment and continued to have a maturity date of March 15, 2024 and bear interest at the rates otherwise set forth in the existing credit agreement. The full \$1,922.7 million balance was subsequently repaid with proceeds from the applicable 2022 and 2023 refinancing transactions described above.

As a result of the amendment the Company entered into on July 7, 2021 to the 2007 Credit Agreement (the “July 2021 Amendment”), a portion of the Company’s existing term loans, to the extent not prepaid at the election of the Lenders, were converted into a new tranche of term loans, in an aggregate principal amount of approximately \$1,963.8 million as of March 31, 2021 having a maturity date of March 15, 2026 (on and after the effectiveness of the July 2021 Amendment, the “2026 Term Loans”). The July 2021 Amendment decreased, upon the consummation of the TelevisaUnivision Transaction, the interest rate payable on such term loans to a percentage per annum of either (i) an adjusted LIBOR rate plus 3.25% or (ii) an alternate base rate (defined as the highest of (x) The Wall Street Journal prime rate, (y) the federal funds effective rate plus 0.50% per annum and (z) the one-month adjusted LIBOR rate plus 1%) plus 2.25%. For interest periods starting after the cessation of LIBOR on June 30, 2023, the 2026 term loans bear interest at adjusted Term SOFR plus a margin of 3.25% per annum with a 0.75% per annum SOFR floor or an alternate base rate plus a margin of 2.25% per annum. The July 2021 Amendment also made additional changes to align the material terms of the 2007 Credit Agreement with the 2029 Term Loan Facility upon the effective date of the 2022 Credit Agreement.

On June 24, 2022, the Company entered into an amendment (the “June 2022 Amendment”) to its Senior Secured Credit Facilities to, among other things, establish a new class of revolving credit commitments in an aggregate principal amount of \$522.0 million, which have a five year maturity date (subject to an earlier maturity if certain indebtedness of the Company is not repaid or refinanced on or prior to the dates set forth in the credit agreement; such earlier date, the “Springing Maturity Date”) and accrue interest at the Term SOFR rate with an interest rate margin tied to the Company’s leverage ratio ranging from 2.75%-3.75% per annum for Term SOFR loans and ranging from 1.75%-2.75% per annum for base rate loans (each with leverage-based step downs), which replace substantially all of the existing senior secured revolving credit facility described above, with exception to Deutsche Bank AG New York Branch’s \$88.0 million commitment which matures on April 30, 2025 (subject to the springing maturity date provided in the June 2020 Amendment); provided that, the Company may, in its sole discretion and subject to the terms of the Senior Secured Credit Facilities, elect to terminate any of such non-extended commitments under the senior secured revolving credit facility altogether and/or cause any of such non-extended commitments to be assigned to a lender who will cause them to be a part of the new class of revolving credit commitments. The extended senior secured revolving credit facility and non-extended senior secured revolving credit facility are collectively referred to as the “senior secured revolving credit facilities”.

*Bank senior secured term loan facility maturing in 2024* – On June 24, 2022, the Company partially prepaid the principal balance of \$1,130.0 million of the 2024 term loan using the proceeds from the issuance of 2022 Term Loan A Facility, the 2022 Term Loan B Facility and the initial 2030 notes. On August 26, 2022, the Company used the net proceeds from the additional 2030 notes issuance to prepay an additional \$406.0 million of the 2024 term loans. On June 30, 2023, the Company partially prepaid the principal balance of \$100.0 million using the proceeds from the issuance of the June 2023 Term Loan A Facility. On July 26, 2023, the Company partially prepaid the principal balance of \$100.0 million using the proceeds from the issuance of the July 2023 Term Loan A Facility. On August 7, 2023, the Company fully prepaid all of the remaining principal balance of \$161.3 million using proceeds from the issuance of the initial 2028 senior notes. The interest rate payable on such term loans was equal to a percentage per annum of either (i) an adjusted LIBOR rate plus 2.75% or (ii) an alternate base rate (defined as the highest of (x) The Wall Street Journal prime rate, (y) the federal funds effective rate plus 0.50% per annum and (z) the one-month adjusted LIBOR rate plus 1%) plus 1.75%.

*Bank senior secured term loan facility maturing in 2026* – In July 2021, the Company entered into an amendment of its senior secured credit agreement to reprice the 2026 term loans to LIBOR plus a margin of 3.25% per annum with a 0.75% per annum LIBOR floor. For interest periods starting after the cessation of LIBOR on June 30, 2023, the 2026 term loans bear interest at adjusted Term SOFR plus a margin of 3.25% per annum with a 0.75% per annum SOFR floor or an alternate base rate and a margin of 2.25% per annum. The repriced 2026 term loans have a maturity date of March 15, 2026 and amortize at 1.0% per annum on a quarterly basis, commencing on September 30, 2021. On June 6, 2024, the Company partially prepaid the principal balance of \$500.0 million using the proceeds from the issuance of the 2029 new term loans. On June 7, 2024, the Company used the net proceeds from the 2031 notes issuance to prepay an additional \$500.0 million of the 2026 term loans.

As of June 30, 2024, the total aggregate principal amount of the 2026 term loan was \$906.1 million, the unamortized deferred financing costs balance was \$1.8 million, and the unamortized fair value adjustment as a result of the May 2021 Reorganization (the “Reorganization”) was \$4.0 million.

*Bank senior secured term loan facility maturing in 2027* - On June 24, 2022, the Company entered into the June 2022 Amendment to its Senior Secured Credit Facilities to, among other things, (a) establish a non-fungible tranche of senior secured “term A” loans (the “Term Loan A Facility”) and (b) make a prepayment of the 2024 term loans. The Term Loan A Facility has a five-year maturity date (subject to the Springing Maturity Date) and has an interest rate margin tied to the Company’s leverage ratio ranging from 2.75%-3.75% per annum for Term SOFR loans and ranging from 1.75%-2.75% per annum for base rate loans (each with leverage-based step downs). The loans under the Term Loan A Facility amortize at 5.0% per annum on a quarterly basis, commencing

on September 30, 2022. The Company used the proceeds from the issuance of the Term Loan A Facility to fund the partial prepayment of the 2024 terms loans. The partial prepayment occurred concurrently with the closing of the Term Loan A Facility on June 24, 2022.

On June 30, 2023, the Company issued a \$100.0 million bank senior secured term loan A facility maturing in 2027 (subject to the Springing Maturity Date), which constitutes part of the same class of indebtedness as the Term Loan A Facility under the 2007 Credit Agreement (the June 2023 Term Loan A Facility). The loans under the June 2023 Term Loan A Facility bear interest and amortize at the same rates as the loans under the 2022 Term Loan A Facility. The Company used the proceeds from the issuance of the June 2023 Term Loan A Facility to make a partial prepayment of the 2024 term loans. The partial prepayment occurred concurrently with the closing of the June 2023 Term Loan A Facility on June 30, 2023.

On July 26, 2023, the Company issued a \$100.0 million bank senior secured term loan A facility maturing in 2027 (subject to the Springing Maturity Date), which constitutes part of the same class of indebtedness as the Term Loan A Facility under the 2007 Credit Agreement (the July 2023 Term Loan A Facility). The loans under the July 2023 Term Loan A Facility bear interest and amortize at the same rates as the loans under the 2022 Term Loan A Facility. The Company used the proceeds from the issuance of the July 2023 Term Loan A Facility to make a partial prepayment of the 2024 term loans. The partial prepayment occurred concurrently with the closing of the July 2023 Term Loan A Facility on July 26, 2023.

On August 28, 2023, the Company issued a \$100.0 million bank senior secured term loan A facility maturing in 2027 (subject to the Springing Maturity Date), which constitutes part of the same class of indebtedness as the Term Loan A Facility under the 2007 Credit Agreement (the August 2023 Term Loan A Facility). The loans under the August 2023 Term Loan A Facility bear interest and amortize at the same rates as the loans under the 2022 Term Loan A Facility. The Company used the proceeds from the issuance of the August 2023 Term Loan A Facility to make a partial prepayment of the 5.125% senior notes due 2025. The partial prepayment occurred concurrently with the closing of the August 2023 Term Loan A Facility on August 28, 2023.

On January 4, 2024, the Company issued senior secured debt of \$100.0 million made up of a bank senior secured term loan A facility maturing in 2027 (subject to the Springing Maturity Date), which constitutes part of the same class of indebtedness as the Term Loan A Facility under the 2007 Credit Agreement (the "January 2024 Term Loan A Facility"). The loans under the January 2024 Term Loan A Facility bear interest and amortize at the same rates as the loans under the 2022 Term Loan A Facility. The Company concurrently utilized the proceeds of the January 2024 Term Loan A Facility to make a \$100.0 million partial redemption of the 5.125% senior notes due 2025. The partial prepayment occurred concurrently with the closing of the January 2024 Term Loan A Facility on January 29, 2024.

As of June 30, 2024, the total aggregate principal amount of the Term Loan A Facility was \$831.5 million, which includes the issuance of January 2024 Term Loan A Facility discussed above, and the unamortized deferred financing costs balance was \$4.2 million.

*2022 Bank senior secured term loan facilities maturing in 2029* – On January 31, 2022, the Company entered into the 2022 Credit Agreement, which initially provided for the January 2029 term loans that were funded in full in connection with the closing of the TelevisaUnivision Transaction on January 31, 2022. The Company may choose to pay interest on the January 2029 term loans at either a SOFR-based rate (with a SOFR floor of 0.75%) or a base rate, in each case plus a margin of (i) 2.250% per annum for base rate loans or (ii) 3.250% per annum for SOFR rate loans. The January 2029 term loans are subject to amortization in equal quarterly installments (commencing on June 30, 2022) of principal in an aggregate amount equal to 1.00% per annum, with the remaining balance payable at the final date of maturity. The January 2029 term loans are guaranteed by Broadcast Holdings and the Company's material, wholly-owned restricted domestic subsidiaries (subject to certain exceptions), and are secured by, among other things, substantially all of the assets of the Company, Broadcast Holdings and the Company's material, wholly-owned restricted domestic subsidiaries (subject to certain exceptions). The priority of security interests and related creditors' rights for the January 2029 term loans are set forth in an intercreditor agreement. As of June 30, 2024, the total aggregate principal amount of the January 2029 term loans was \$1,026.4 million, and the unamortized deferred financing costs balance was \$32.6 million.

On June 24, 2022, the Company entered into the June 2022 Amendment of the 2022 Credit Agreement to, among other things, (a) establish a new class of incremental first lien term B loans constituting the 2022 Term Loan B Facility and (b) make a prepayment of the 2024 term loans (the term loans outstanding under the 2022 Credit Agreement, as amended, are referred to collectively as the "2022 Term Loan Facility"). The loans under the 2022 Term Loan B Facility bear an interest rate margin of 4.25% per annum for Term SOFR loans and 3.25% per annum for base rate loans. The loans under the 2022 Term Loan B Facility have a maturity date of June 24, 2029 and amortize at 1.0% per annum on a quarterly basis, commencing on September 30, 2022. As of June 30, 2024, the total aggregate principal amount of the 2022 Term Loan B Facility was \$490.0 million, the unamortized deferred financing costs balance were \$2.9 million, and the unamortized discount was \$9.8 million.

The 2022 Credit Agreement provides for an incremental facility that the Company may use to add one or more incremental term loan facilities, increase commitments under the existing term loan facility and/or add one or more incremental revolving loan facilities by up to (i) a fixed amount of \$750.0 million, plus (ii) an unlimited amount of additional first-lien obligations so long as the consolidated first-lien leverage ratio, on a pro forma basis, does not exceed 6.00:1.00 or, if incurred in connection with an acquisition or other investment permitted under the credit agreement, would be leverage neutral, plus (iii) an unlimited amount of additional junior lien obligations, so long as the consolidated secured leverage ratio, on a pro forma basis, does not exceed 7.00:1.00, plus (iv) an unlimited amount of additional unsecured debt, so long as the consolidated total leverage ratio, on a pro forma basis, does not exceed 8.50:1.00, in each case, subject to other customary conditions and exceptions.

Additionally, the Company will be permitted to further refinance (whether by repayment, conversion or extension) its existing Senior Secured Credit Facilities and the 2022 Term Loan Facility (in addition to the new incremental facilities described above) with certain permitted additional first-lien, second-lien, senior and/or subordinated indebtedness, in each case if certain conditions are met.

The Company used the net proceeds from the 2022 Term Loan Facility as described above.

In addition, mandatory prepayments will be required to prepay amounts outstanding under the 2022 Term Loan Facility in an amount equal to:

- 100% (which percentage will be reduced upon the achievement of specified performance targets) of net cash proceeds from certain asset dispositions by the Company or any of its restricted subsidiaries, subject to certain exceptions, ratable sharing provisions and reinvestment provisions; and
- 100% of the net cash proceeds from the issuance or incurrence after the closing date of any additional debt by the Company or any of its restricted subsidiaries (excluding debt permitted under the 2022 Credit Agreement, other than any indebtedness which serves to refinance or extend indebtedness then outstanding under the 2022 Credit Agreement, which shall be required to prepay loans as set forth in such credit agreement).

Voluntary prepayments of principal amounts outstanding under loans governed by the 2022 Credit Agreement will be permitted at any time; however, if a prepayment of principal is made with respect to an adjusted Term SOFR loan on a date other than the last day of the applicable interest period, the lenders will require compensation for any funding losses and expenses incurred as a result of the prepayment.

The 2022 Credit Agreement contains restrictive covenants which, among other things, limit the incurrence of additional indebtedness, investments, dividends, transactions with affiliates, asset sales, acquisitions, mergers and consolidations, prepayments of subordinated indebtedness, liens and encumbrances and other matters customarily restricted in such agreements. The 2022 Credit Agreement does not contain any financial maintenance covenant.

The 2022 Credit Agreement contains customary events of default, including without limitation, payment defaults, breaches of representations and warranties, covenant defaults, cross-defaults to certain other indebtedness in excess of specified amounts, certain events of bankruptcy and insolvency, judgment defaults in excess of specified amounts, failure of any material provision of any guaranty or security document supporting the term loans thereunder to be in full force and effect, and a change of control.

The Company used the proceeds from the issuance of the 2022 Term Loan B Facility to fund the partial prepayment of the 2024 term loans. The partial prepayment occurred concurrently with the closing of the 2022 Term Loan B Facility on June 24, 2022.

For the six months ended June 30, 2024, the effective interest rate related to the Company's senior secured term loans was 6.53% including the impact of interest rate swaps and 9.01% excluding the impact of interest rate swaps. The Company is permitted to further refinance (whether by repayment, conversion or extension) the Company's senior secured credit facilities (including the extended credit facilities) with certain permitted additional first-lien, second-lien, senior and/or subordinated indebtedness, in each case, if certain conditions are met.

*Bank senior secured term loan facilities maturing in 2029* – On June 6, 2024, the Company entered into an amendment to its 2007 Credit Agreement, pursuant to which \$500.0 million aggregate principal amount of its outstanding 2026 term loans were converted into a new tranche made up the 2029 new term loans. The 2029 new term loans bear interest at adjusted Term SOFR plus a margin of 3.50% per annum with a 0.50% per annum SOFR floor or an alternate base rate and a margin of 2.50% per annum with a 1.50% per annum ABR floor. The 2029 new term loans are subject to amortization in equal quarterly installments (commencing on

September 30, 2024) of principal in an aggregate amount equal to 1.00% per annum, with the remaining balance payable at the final date of maturity, January 31, 2029.

As of June 30, 2024, the total aggregate principal amount of the 2029 term loans was \$500.0 million, and the unamortized deferred financing costs balance was \$4.4 million.

### ***5.125% Senior Secured Notes due 2025***

The 5.125% senior notes due 2025 (the “5.125% 2025 senior notes”) were ten-year notes. On February 19, 2015, the Company issued \$750.0 million aggregate principal amount of 5.125% 2025 senior notes, pursuant to an indenture dated as of February 19, 2015. The Company issued an additional \$810.0 million in aggregate principal amount of the 5.125% 2025 notes on April 21, 2015. The 5.125% 2025 senior notes mature on February 15, 2025 and pay interest on February 15 and August 15 of each year, commencing on August 15, 2015. Interest on the 5.125% 2025 senior notes accrues at a fixed rate of 5.125% per annum and is payable in cash. On September 5, 2017, the Company purchased \$80.6 million aggregate principal amount of its 5.125% 2025 senior notes through asset sale offers at a purchase price of 100% of the principal amount thereof plus accrued and unpaid interest thereon to, but not including, the date of purchase. As of June 30, 2024, the 5.125% 2025 senior notes have been repaid.

On August 7, 2023, the Company partially redeemed \$338.7 million of the 5.125% 2025 senior notes, funding such partial redemption using net proceeds from the issuance of the initial 2028 senior notes.

On August 28, 2023, the Company partially redeemed \$100.0 million of the 5.125% 2025 senior notes, funding such the partial redemption using the net proceeds from the issuance of the August 2023 Term Loan A Facility.

On December 18, 2023, the Company partially redeemed \$700.0 million of the 5.125% 2025 senior notes, funding such partial redemption using net proceeds from the issuance of the additional 2028 senior notes.

On January 4, 2024, the Company partially redeemed \$100.0 million of the 5.125% 2025 senior notes, funding such partial redemption using the net proceeds from the issuance of the January 2024 Term Loan A Facility.

On January 29, 2024, the Company redeemed all of the remaining outstanding amount of the 5.125% 2025 senior notes, funding such redemption using the net proceeds from the issuance of the additional 2028 senior notes.

### ***6.625% Senior Secured Notes due 2027***

On June 18, 2020, the Company issued \$1,500.0 million aggregate principal amount of 6.625% senior secured notes due 2027 (the “2027 senior notes”) at par, plus accrued and unpaid interest from June 18, 2020. The 2027 senior notes will mature on June 1, 2027. The Company will pay interest on the 2027 senior notes at a fixed rate of 6.625% per annum semi-annually in cash in arrears on June 1 and December 1 of each year, commencing on December 1, 2020. The Company may redeem the 2027 senior notes, at the Company’s option, in whole or in part, upon not less than 10 nor more than 60 days’ notice at any time and from time to time at the redemption prices forth below. The 2027 senior notes will be redeemable at the applicable redemption price (expressed as percentages of principal amount of the 2027 senior notes to be redeemed) plus accrued and unpaid interest thereon to, but excluding, the applicable redemption date if redeemed during the twelve-month period beginning on June 1 of each of the following years: 2023 (103.313%), 2024 (101.656%) and 2025 and thereafter (100.000%). At any time prior to June 1, 2023, the Company was able to redeem the 2027 senior notes at a redemption price equal to 100% of the principal amount of the 2027 senior notes to be redeemed plus accrued and unpaid interest plus the greater of (i) 1.0% of the principal amount and (ii) the excess, if any, of (A) an amount equal to the present value at such redemption date of (1) the redemption price of such note at June 1, 2023, plus (2) all required interest payments due on such note through June 1, 2023 (excluding accrued but unpaid interest to, but excluding, the redemption date), computed using a discount rate equal to the Treasury Rate (as defined in the indenture) as of such redemption date plus 50 basis points; over (B) the principal amount of such note to be redeemed on such redemption date. At June 30, 2024, the outstanding principal balance of the 2027 senior notes was \$1,500.0 million and the unamortized fair value adjustment as a result of the Reorganization was \$53.5 million.

At any time, or from time to time, until June 1, 2023, the Company was able, at the Company’s option, use the net cash proceeds of one or more equity offerings to redeem up to 40% of the then outstanding aggregate principal amount of the 2027 senior notes issued under the indenture at a redemption price equal to 106.625% of the aggregate principal amount thereof, plus accrued and unpaid interest thereon, subject to certain conditions. In addition, if the Company undergoes a change of control, it may be required to offer to purchase the 2027 senior notes from holders at a purchase price equal to 101% of the principal amount plus accrued interest.

Subject to certain exceptions and customary reinvestment rights, the Company is required to offer to repay the 2027 senior notes at par with the proceeds of certain assets sales.

The Company used the net proceeds from the issuance of the 2027 senior notes to fund the redemption of the 5.125% senior secured notes due 2023 (the “2023 senior notes”), including related fees and expenses. The redemption occurred on July 20, 2020. In addition, the Company prepaid \$265.0 million aggregate principal amount of the 2024 term loans with a portion of the proceeds of the 2027 senior notes.

#### ***8.000% Senior Secured Notes due 2028***

On August 7, 2023, the Company issued \$500.0 million aggregate principal amount of 8.000% senior notes due 2028, on December 18, 2023, the Company issued an additional \$700.0 million aggregate principal amount of the 8.000% senior notes due on 2028 at a premium of 100.500% and on January 22, 2024, the Company issued an additional \$100.0 million aggregate principal amount of the 8.000% senior notes due on 2028 at a premium of 101.000% plus accrued and unpaid interest from August 7, 2023 (collectively, the “2028 senior notes”). The 2028 senior notes mature on August 15, 2028 the Company will pay interest on the 2028 senior notes at a fixed rate of 8.000% per annum semi-annually in cash in arrears on February 15 and August 15 of each year, commencing on February 15, 2024. The Company concurrently used the proceeds to prepay all of the \$161.3 million remaining balance of the 2024 term loans and to make a \$1,279.4 million full redemption of the 5.125% senior notes due 2025.

The 2028 senior notes are jointly and severally guaranteed by substantially all of the Company’s material, direct and indirect wholly-owned restricted domestic subsidiaries (subject to certain exceptions) that guarantee its Senior Secured Credit Facilities. The 2028 senior notes and the related guarantees are secured by a first priority lien, subject to permitted liens, on substantially all of the assets of the Company and the Company’s material, wholly-owned restricted domestic subsidiaries (subject to certain exceptions) and the guarantors’ property and assets that secure obligations under the Company’s Senior Secured Credit Facilities, the Company’s 2022 Term Loan Facility and existing senior notes.

At any time prior to August 15, 2025, the Company may redeem the 2028 senior notes at a redemption price equal to 100% of the principal amount of the 2028 senior notes to be redeemed plus accrued and unpaid interest, if any, to, but excluding the applicable redemption date plus the greater of (i) 1.0% of the principal amount of such note on the redemption date and (ii) the excess, if any, of (A) an amount equal to the present value at such redemption date of (1) the redemption price of such note at August 15, 2025, plus (2) all required interest payments due on such note through August 15, 2025 (excluding accrued but unpaid interest to, but excluding, the redemption date), computed using a discount rate equal to the Treasury Rate (as defined in the indenture) as of such redemption date plus 50 basis points; over (B) the principal amount of such note to be redeemed on such redemption date. If redeemed on or after August 15, 2025, the Company may redeem the 2028 senior notes at the redemption price set forth next to the corresponding year, plus accrued and unpaid interest, if any, to, but excluding the applicable redemption date: 2025 (104.000%), 2026 (102.000%), 2027 and thereafter (100.000%). At June 30, 2024, the outstanding principal balance of the 2028 senior notes was \$1,440.7 million and the unamortized deferred financing costs balance was \$13.1 million.

At any time, or from time to time, until August 15, 2025, the Company may, at its option, use the net cash proceeds of one or more equity offerings to redeem up to 40% of the then outstanding aggregate principal amount of the 2028 senior notes issued under the indenture at a redemption price equal to 108.000% of the aggregate principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding the applicable redemption date, provided that (i) at least 50% of the aggregate principal amount of 2028 senior notes issued under the indenture remains outstanding and (ii) the Company makes such redemption not more than 180 days after the closing of any such equity offering. If the Company undergoes a change of control, it will be required to offer to purchase the 2028 senior notes from holders at a purchase price equal to 101% of the principal amount plus accrued interest, unless a third party makes an offer to purchase all of the 2028 senior notes or the Company has previously or concurrently sent a redemption notice with respect to all the outstanding 2028 senior notes.

#### ***4.500% Senior Secured Notes due 2029***

On May 21, 2021, the Company issued \$1,050.0 million aggregate principal amount of 4.500% senior secured notes due 2029 (the “2029 senior notes”) at par plus accrued and unpaid interest from May 21, 2021. The 2029 senior notes will mature on May 1, 2029. The Company will pay interest on the Notes at a fixed rate of 4.500% per annum semi-annually in cash in arrears on May 1 and November 1 of each year. The Company used the net proceeds from the issuance of the notes to finance a portion of the



TelevisaUnivision Transaction and to pay certain related transaction fees and expenses. At June 30, 2024, the outstanding principal balance of the 2029 senior notes was \$1,050.0 million and the unamortized deferred financing costs balance was \$11.9 million.

The Notes are jointly and severally guaranteed by substantially all of the Company's material, direct and indirect wholly-owned restricted domestic subsidiaries (subject to certain exceptions) that guarantee its Senior Secured Credit Facilities. The Notes and the related guarantees are secured by a first priority lien, subject to permitted liens, on substantially all of the assets of the Company and the Company's material, wholly-owned restricted domestic subsidiaries (subject to certain exceptions) and the guarantors' property and assets that secure obligations under the Company's Senior Secured Credit Facilities, the Company's 2022 Term Loan Facility and existing senior notes.

Upon consummation of the offering of the 2029 senior notes, (i) the net proceeds of this offering were deposited into a segregated escrow account and (ii) the Company deposited into such escrow account an amount of cash that, when taken together with the net proceeds of this offering, would have been sufficient to fund a special mandatory redemption of the 2029 senior notes on April 13, 2022. Upon the closing of the TelevisaUnivision Transaction on January 31, 2022, the proceeds of the offering were used to pay a portion of the purchase price for the TelevisaUnivision Transaction and the amounts deposited in respect of pre-funded interest were returned to the Company.

The Company may redeem the 2029 senior notes, at the Company's option, in whole or in part, upon not less than 10 nor more than 60 days' notice at any time and from time to time at the redemption prices forth below. The 2029 senior notes will be redeemable at the applicable redemption price (expressed as percentages of principal amount of the 2029 senior notes to be redeemed) plus accrued and unpaid interest thereon to, but excluding, the applicable redemption date if redeemed during the twelve-month period beginning on May 1 of each of the following years: 2024 (102.250%), 2025 (101.125%) and 2026 and thereafter (100.000%). At any time prior to May 1, 2024, the Company may redeem the 2029 senior notes at a redemption price equal to 100% of the principal amount of the 2029 senior notes to be redeemed plus accrued and unpaid interest plus the greater of (i) 1.0% of the principal amount and (ii) the excess, if any, of (A) an amount equal to the present value at such redemption date of (1) the redemption price of such 2029 senior note at May 1, 2024, plus (2) all required interest payments due on such 2029 senior note through May 1, 2024 (excluding accrued but unpaid interest to, but excluding, the redemption date), computed using a discount rate equal to the Treasury Rate (as defined in the indenture) as of such redemption date plus 50 basis points; over (B) the principal amount of such 2029 senior notes to be redeemed on such redemption date.

At any time, or from time to time, until May 1, 2024, the Company may, at the Company's option, use the net cash proceeds of one or more equity offerings to redeem up to 40% of the then outstanding aggregate principal amount of the 2029 senior notes issued under the indenture at a redemption price equal to 104.500% of the aggregate principal amount thereof, plus accrued and unpaid interest thereon, provided that (i) at least 50% of the aggregate principal amount of the 2029 senior notes issued under the indenture remains outstanding and (ii) the Company makes such redemption not more than 180 days after the consummation of any such equity offering. In addition, if the Company undergoes a change of control, it may be required to offer to purchase the 2029 senior notes from holders at a purchase price equal to 101% of the principal amount plus accrued interest.

### ***7.375% Senior Secured Notes due 2030***

The Company issued \$500.0 million aggregate principal amount of 7.375% senior secured notes due 2030 on June 24, 2022, at an original issuance discount of 99.255%, plus accrued and unpaid interest from June 24, 2022, and \$400.0 million additional aggregate principal amount of the 2030 senior notes on August 26, 2022 at a premium of 101.500%, plus accrued and unpaid interest from June 24, 2022 (collectively, the "2030 senior notes").

The 2030 senior notes will mature on June 30, 2030. The Company will pay interest on the 2030 senior notes at a fixed rate of 7.375% per annum semi-annually in cash in arrears on June 30 and December 30 of each year, commencing December 30, 2022. At June 30, 2024, the outstanding principal balance of the 2030 senior notes was \$900.0 million, the unamortized deferred financing costs balance was \$8.8 million and the unamortized premium was \$1.9 million.

The Company may redeem the 2030 senior notes, at the Company's option, in whole or in part, upon not less than 10 nor more than 60 days' notice at any time and from time to time at the redemption prices set forth below. The Notes will be redeemable at the applicable redemption price (expressed as percentages of principal amount of the 2030 senior notes to be redeemed) plus accrued and unpaid interest thereon to, but excluding, the applicable redemption date if redeemed during the twelve-month period beginning on June 30 of each of the following years: 2025 (103.688%), 2026 (101.844%) and 2027 and thereafter (100.000%). At any time prior to June 30, 2025, the Company may redeem the 2030 senior notes at a redemption price equal to 100% of the principal amount of the 2030 senior notes to be redeemed plus accrued and unpaid interest plus the greater of (i) 1.0% of the principal amount and (ii) the

excess, if any, of (A) an amount equal to the present value at such redemption date of (1) the redemption price of such note at June 30, 2025, plus (2) all required interest payments due on such note through June 30, 2025 (excluding accrued but unpaid interest to, but excluding, the redemption date), computed using a discount rate equal to the Treasury Rate (as defined in the indenture) as of such redemption date plus 50 basis points; over (B) the principal amount of such note to be redeemed on such redemption date.

At any time, or from time to time, until June 30, 2025, the Company may use the net cash proceeds of one or more equity offerings to redeem up to 40% of the then outstanding aggregate principal amount of the notes issued under the indenture at a redemption price equal to 107.375% of the aggregate principal amount thereof, plus accrued and unpaid interest thereon, provided that (1) at least 50% of the aggregate principal amount of notes originally issued under the indenture remains outstanding and (2) the Company makes such redemption not more than 180 days after the consummation of any such equity offering. In addition, if the Company undergoes a change of control, it may be required to offer to purchase the 2030 senior notes from holders at a purchase price equal to 101% of the principal amount plus accrued interest.

The Company used the net proceeds from the issuance of the 2030 senior notes and the bank senior secured term loan facility maturing in June 2029 to fund the redemption of all \$370.0 million outstanding aggregate principal amount of its 9.500% 2025 senior notes and discharged all obligations under the indenture pursuant to which the 9.500% 2025 senior notes were issued. The redemption occurred concurrently with the closing of the 2030 senior notes on June 24, 2022.

### ***8.500% Senior Secured Notes due 2031***

The Company issued \$500.0 million aggregate principal amount of 8.500% senior secured notes due 2031 on June 7, 2024, at par, plus accrued and unpaid interest from June 7, 2024. The 2031 senior notes will mature on July 31, 2031. The Company will pay interest on the 2031 senior notes at a fixed rate of 8.500% per annum semi-annually in cash in arrears on January 31 and July 31 of each year, commencing January 31, 2025.

The Company may redeem the 2031 senior notes, at the Company's option, in whole or in part, upon not less than 10 nor more than 60 days' notice at any time and from time to time at the redemption prices set forth below. The Notes will be redeemable at the applicable redemption price (expressed as percentages of principal amount of the 2031 senior notes to be redeemed) plus accrued and unpaid interest thereon to, but excluding, the applicable redemption date if redeemed during the twelve-month period beginning on July 31 of each of the following years: 2027 (104.250%), 2028 (102.125%) and 2029 and thereafter (100.000%). At any time prior to July 31, 2027, the Company may redeem the 2031 senior notes at a redemption price equal to 100% of the principal amount of the 2031 senior notes to be redeemed plus accrued and unpaid interest plus the greater of (i) 1.0% of the principal amount and (ii) the excess, if any, of (A) an amount equal to the present value at such redemption date of (1) the redemption price of such note at July 31, 2027, plus (2) all required interest payments due on such note through July 31, 2027 (excluding accrued but unpaid interest to, but excluding, the redemption date), computed using a discount rate equal to the Treasury Rate (as defined in the indenture) as of such redemption date plus 50 basis points; over (B) the principal amount of such note to be redeemed on such redemption date.

At any time, or from time to time, until July 31, 2027, the Company may use the net cash proceeds of one or more equity offerings to redeem up to 40% of the then outstanding aggregate principal amount of the notes issued under the indenture at a redemption price equal to 108.500% of the aggregate principal amount thereof, plus accrued and unpaid interest thereon, provided that (1) at least 50% of the aggregate principal amount of notes originally issued under the indenture remains outstanding and (2) the Company makes such redemption not more than 180 days after the consummation of any such equity offering. In addition, if the Company undergoes a change of control, it may be required to offer to purchase the 2031 senior notes from holders at a purchase price equal to 101% of the principal amount plus accrued interest.

The Company used the net proceeds from the issuance of the 2031 senior notes to fund the \$500.0 million partial repayment of the 2026 term loans.

At June 30, 2024, the outstanding principal balance of the 2031 senior notes was \$500.0 million and the unamortized deferred financing costs balance was \$4.6 million.

### ***Accounts Receivable Facility***

On October 5, 2021, the Company renewed its accounts receivable sale facility (as amended, the "Facility"), which, among other things, (i) extended the expiration date of the Facility to October 5, 2026, (ii) increased the letter of credit sublimit to \$160.0 million under the revolving component of the Facility and (iii) lowered the interest rate on the borrowings under the Facility to a LIBOR market index rate (with a floor of 0.00%) plus a margin of 1.40% per annum. Interest is paid monthly on the Facility. On May

1, 2023, the Company entered into an amendment to the Facility to transition the interest rate on the borrowings under the Facility to a SOFR market index rate plus a SOFR term adjustment and margin of 1.40% per annum.

Under the terms of the 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.

The Facility is comprised of a \$100.0 million term component and a \$300.0 million revolving component that is subject to the availability of qualifying receivables. At June 30, 2024, the Company had \$100.0 million outstanding under the term component and none outstanding under the revolving component, and the interest rate was 6.829% applicable to both the term component and the revolving component. In addition, at June 30, 2024, there was \$7.9 million of outstanding letters of credit against the accounts receivable revolving component resulting in \$292.1 million being available for borrowing under the accounts receivable revolving facility. In addition, the Receivables Entity is obligated to pay a commitment fee to the purchasers, such fee to be calculated based on the unused portion of the Facility. The Receivables Purchase Agreement contains customary default and termination provisions, which provide for the early termination of the Facility upon the occurrence of certain specified events including, but not limited to, failure by the Receivables Entity to pay amounts due, defaults on certain indebtedness, change in control, bankruptcy and insolvency events. The Receivables Entity is consolidated in the Company's consolidated financial statements.

#### ***Note Payable to Grupo Televisa***

As of June 30, 2024, the Company (through one of its wholly-owned subsidiaries) has an unsecured note payable to Grupo Televisa with an outstanding principal balance of \$183.4 million with a final maturity date of April 30, 2026. The loan has payment dates on October 31 of 2023, 2024, 2025 and April 30, 2026. The note payable has a fixed annual interest rate of 12.8%. The outstanding principal balance is translated from Mexican pesos to U.S. dollars at the spot rate at each consolidated balance sheet date. The Company repaid \$136.4 million of the note payable on October 31, 2023.

#### ***Other long-term debt***

As of June 30, 2024, the Company has bank loans with outstanding principal balance of \$6.3 million. The outstanding principal balance is translated from Mexican pesos to U.S. dollars at the spot rate.

#### ***Loss on Refinancing of Debt***

For the three and six months ended June 30, 2024, the Company recorded a loss on refinancing of debt of \$6.2 million and \$4.5 million, respectively, due to the write-off of unamortized premium for the redemption of all of the remaining outstanding 5.125% Senior Notes due 2025 and unamortized deferred financing costs and a Reorganization fair value adjustment that relates to the partial prepayment of the 2026 term loans.

### **14. 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 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

On February 28, 2020, the Company entered into two forward-starting interest rate swaps that converted 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 were to mature in February 2024. On September 10, 2021, the Company modified these two outstanding forward-starting interest rate swaps to extend the maturity from February 2024 to February 2026 and the floor was reduced from 1.00% to 0.75%. As a result of this modification, there was an other-than-insignificant financing element identified which resulted in our swap settlement payments being classified as financing cash flows. In June 2023, the Company entered into bilateral agreements with its swap counterparties to transition all of its interest rate swap agreements to SOFR. The Company made various ASC 848 elections related to changes in critical terms of the hedging relationships due to reference rate reform to not result in a de-designation of these hedging relationships. As result of the SOFR transition, the floor was also reduced from 0.75% to 0.63552% on the two outstanding forward-starting interest rate swaps maturing in February 2026. As of June 30, 2024, all of the Company's interest rate swap agreements were indexed to SOFR. The weighted average interest rate as of June 30, 2024 was approximately 2.23%.

As of June 30, 2024, the Company has two remaining effective cash flow hedges, as shown in the table below:

	Number of Instruments	Current Notional (in whole dollars)
Interest Rate Derivatives:		
Interest Rate Swap Contracts (February 2020 through February 2026) .....	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 June 30, 2024	As of December 31, 2023
Derivatives Designated as Hedging Instruments:			
Interest Rate Swap Contracts—Current Assets .....	Prepaid expenses and other	\$ 66,100	\$ 60,000
Interest Rate Swap Contracts—Non-Current Assets .....	Other assets	\$ 30,100	\$ 31,800

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. Because all of the Company's interest rate swaps were in an asset position as of June 30, 2024 and December 31, 2023, if the Company had presented the fair value of the interest rate swaps on a net basis by counterparty, there would be no change to the consolidated balance sheet as of that date. As of June 30, 2024, the Company has not posted any collateral related to any of the interest rate swap contracts.

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 (loss) for the three and six months ended June 30, 2024 and June 30, 2023:

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 AOCL into Income	Amount of Gain or (Loss) Reclassified from AOCL into Income(a)	Total Interest Expense on the Statement of Operations
For the three months ended June 30, 2024 .....	\$ 10,800	Interest expense	\$ 26,100	\$ 180,100
For the six months ended June 30, 2024 .....	\$ 43,600	Interest expense	\$ 51,800	\$ 359,200
For the three months ended June 30, 2023 .....	\$ 47,900	Interest expense	\$ 23,300	\$ 170,300
For the six months ended June 30, 2023 .....	\$ 30,300	Interest expense	\$ 43,200	\$ 331,000

- (a) For the three and six months ended June 30, 2024 and 2023, the amount of gain or (loss) reclassified from accumulated other comprehensive (loss) income ("AOCL") into income includes amounts that have been reclassified related to current effective hedging relationships as well as amortizing AOCL amounts related to the off market component of the hedges as a result of the Reorganization and subsequent modification of the outstanding swaps. For the three and six months ended June 30, 2024, the Company amortized approximately \$6.5 million and \$12.5 million of a reduction to interest expense on hedging activities from AOCL based on the

aforementioned activity. For the three and six months ended June 30, 2023, the Company amortized approximately \$5.9 million and \$11.6 million of a reduction to interest expense on hedging activities from AOCLI based on the aforementioned activity.

During the next twelve months, from June 30, 2024, approximately \$98.4 million of net unrealized gain will be reclassified from AOCLI to interest expense (inclusive of the amounts being amortized related to discontinued cash flow hedging relationships).

## 15. Accumulated Other Comprehensive (Loss) Income

Comprehensive income (loss) is reported in the consolidated statements of comprehensive (loss) income 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 (loss) income are foreign currency translation adjustments, unrealized gain (loss) on hedging activities and the amortization of unrealized (gain) loss on hedging activities, pension and post-retirement benefits.

The following tables present the changes in accumulated other comprehensive (loss) income by component for the six months ended June 30, 2024 and June 30, 2023. All amounts are net of tax.

	<b>Gain and (Loss) on Hedging Activities</b>	<b>Unrealized Gain on Pension Activities</b>	<b>Currency Translation Adjustment</b>	<b>Total</b>
Balance as of December 31, 2023 .....	\$ 109,500	\$ (2,600)	\$ 918,900	\$ 1,025,800
Other comprehensive income before reclassifications .....	3,300	—	(344,900)	(341,600)
Amounts reclassified from accumulated other comprehensive income ..	(9,400)	—	—	(9,400)
Amortization of unrealized gain on pension activities, net of taxes .....	—	(1,000)	—	(1,000)
Net other comprehensive income .....	(6,100)	(1,000)	(344,900)	(352,000)
Balance as of June 30, 2024 .....	<u>\$ 103,400</u>	<u>\$ (3,600)</u>	<u>\$ 574,000</u>	<u>\$ 673,800</u>

	<b>Gain and (Loss) on Hedging Activities</b>	<b>Unrealized Gain on Pension Activities</b>	<b>Currency Translation Adjustment</b>	<b>Total</b>
Balance as of December 31, 2022 .....	\$ 164,100	\$ 7,800	\$ 313,600	\$ 485,500
Other comprehensive income before reclassifications .....	(1,100)	—	540,600	539,500
Amounts reclassified from accumulated other comprehensive income ...	(8,500)	—	—	(8,500)
Unrealized gain on pension activities, net of taxes .....	—	900	—	900
Amortization of unrealized gain on pension activities, net of taxes .....	—	(900)	—	(900)
Net other comprehensive income .....	(9,600)	—	540,600	531,000
Balance as of June 30, 2023 .....	<u>\$ 154,500</u>	<u>\$ 7,800</u>	<u>\$ 854,200</u>	<u>\$ 1,016,500</u>

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

	2024			2023		
	Pretax	Tax (provision) benefit	Net of tax	Pretax	Tax (provision) benefit	Net of tax
<b>Three Months Ended June 30,</b>						
Unrealized (loss) gain on hedging activities	\$ (8,700)	\$ 2,200	\$ (6,500)	\$ 30,400	\$ (7,900)	\$ 22,500
Amortization of unrealized gain on hedging activities	(6,600)	1,700	(4,900)	(5,700)	1,500	(4,200)
Unrealized loss on pension activities	—	—	—	300	(4,200)	(3,900)
Amortization of unrealized gain on pension	(700)	200	(500)	(500)	—	(500)
Currency translation adjustment	(450,300)	—	(450,300)	217,300	—	217,300
Other comprehensive income (loss)	<u>\$ (466,300)</u>	<u>\$ 4,100</u>	<u>\$ (462,200)</u>	<u>\$ 241,800</u>	<u>\$ (10,600)</u>	<u>\$ 231,200</u>
<b>Six Months Ended June 30,</b>						
Unrealized gain (loss) on hedging activities	\$ 4,400	\$ (1,100)	\$ 3,300	\$ (1,400)	\$ 300	\$ (1,100)
Amortization of unrealized gain on hedging activities	(12,600)	3,200	(9,400)	(11,500)	3,000	(8,500)
Unrealized gain on pension activities	—	—	—	5,100	(4,200)	900
Amortization of unrealized gain on pension	(1,400)	400	(1,000)	(900)	—	(900)
Currency translation adjustment	(344,900)	—	(344,900)	540,600	—	540,600
Other comprehensive income (loss)	<u>\$ (354,500)</u>	<u>\$ 2,500</u>	<u>\$ (352,000)</u>	<u>\$ 531,900</u>	<u>\$ (900)</u>	<u>\$ 531,000</u>

For the three and six months ended June 30, 2024, unrealized gain on hedging activities is primarily due to the change in one-month SOFR rates for interest rate swaps. Amounts reclassified from accumulated other comprehensive income related to hedging activities are recorded to interest expense. See Note 14. *Interest Rate Swaps* for further information related to amounts reclassified from accumulated other comprehensive income.

## 16. Income Taxes

The Company expects its full year tax rate as of June 30, 2024 to be approximately 36%. The Company's effective tax rate for the full tax year as of June 30, 2023 was approximately 44%. The 2024 tax rate differs from the 2023 tax rate primarily due to restructuring transactions, changes to valuation allowances, state and local income taxes, and other permanent differences. The expected 2024 tax rate differs from the 2023 tax rate primarily due to restructuring transactions, changes to valuation allowances, state and local income taxes and other permanent differences. The 2023 tax rate differs from the statutory rate, primarily due to losses in jurisdictions for which no tax benefits can be recognized, other permanent differences and state 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.

## 17. Employee Benefits

The Company has a pension and seniority premium (post-retirement benefits) obligations relating to the defined benefit plan for its Mexican employees. The Company also has a legal indemnity, which, pursuant to Mexican Labor Law, covers employees in Mexico who are dismissed unjustifiably and entitles such employees to three months of salary, plus 20 days of salary per year of service.

### *Pension Plan and Seniority Premium Plan*

The defined benefit retirement pension plan and seniority premium plan (the “Retirement Plans”) covers Mexican based employees. Under the provisions of the Mexican Labor Law, seniority premiums plans are payable based on salary and years of service to employees who resign or are terminated prior to reaching retirement age. After retirement age, employees are no longer eligible for seniority premiums plans.

The components of net periodic cost of the Retirement Plans and Legal Indemnity plan for the three and six months ended June 30, 2024 and 2023, other than the service costs component, are included in “Other, net” within the consolidated statement of operations, consisted of the following:

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<i>Retirement Plans</i>				
Service cost.....	\$ 1,200	\$ 1,100	\$ 2,400	2,100
Interest cost.....	2,500	2,000	5,000	5,300
Expected return on plan assets.....	(800)	(600)	(1,500)	(1,100)
Actuarial gain - amortization.....	(400)	(300)	(800)	(700)
Net periodic cost.....	<u>\$ 2,500</u>	<u>\$ 2,200</u>	<u>\$ 5,100</u>	<u>\$ 5,600</u>
<i>Legal Indemnity</i>				
Service cost.....	\$ 1,700	\$ 1,400	\$ 3,400	\$ 2,800
Interest cost.....	2,400	1,900	4,900	7,200
Actuarial gain - amortization.....	(300)	(100)	(600)	(600)
Net periodic cost.....	<u>\$ 3,800</u>	<u>\$ 3,200</u>	<u>\$ 7,700</u>	<u>\$ 9,400</u>

## 18. 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.

## 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 facilities and transmission and technical equipment assets that are used to transmit and receive its network signals in the U.S. and Mexico.

## 19. Segments

The Company has one reportable segment, Media and Entertainment, which provides broadcasting services to customers through its linear/digital and radio operations. The Company's operating 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 Chief Executive Officer, who is the chief operating decision maker. Based on its customers and type of content, the Company has linear/digital and radio operations. The Company's linear networks operations includes broadcast networks *Univision* and *UniMás* in the U.S. and Las Estrellas and Canal 5 in Mexico. The Company is also home to 38 Spanish- language cable networks, including *Galavisión* and *TUDN*, sports network in the U.S. and Mexico including the Videocine movie studio. The digital operations include digital properties consisting of online and mobile websites and applications including *Univision.com*, free ad-based video on demand (AVOD) streaming service and subscription streaming service, ViX. The radio operations, known as the *Uforia Audio Network*, includes the Company's owned and operated radio stations; a live event series; and the *Uforia* music application which includes the digital audio elements of *Univision.com*.

The Company derives revenue primarily in the U.S. and Mexico which is comprised of:

- Advertising—The Media and Entertainment segment generates advertising revenue from the sale of commercial time on broadcast and cable networks, local television, and radio stations. Further, it also generates revenue from the sale of display, mobile and video advertising, as well as sponsorships, on our various digital properties.
- Subscriber fee—The Media and Entertainment segment generates subscriber fee revenue, including 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.
- Program Licensing—The Media and Entertainment segment derives revenue from licenses programming content to other digital streaming, cable, and satellite providers.

The Company manages the business activities on a consolidated basis. The accounting policies of the Media Entertainment segment are the same as those described in the summary of significant accounting policies, see Note 2. *Summary of Significant Accounting Policies*. 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.

The Company incurs corporate expenses separate from the linear/digital and radio operating 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 its operating segments. The operating segments have separate financial information which is used by the chief operating decision maker to evaluate performance and allocate resources. The reporting segment results reflected in the disclosures below illustrate how management evaluates its financial performance and allocates resources.

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 certain unusual and infrequent items and other non-operating related items.

Adjusted OIBDA is not, and should not be used as, an indicator of or alternative to operating income or net income (loss) 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.



The Media and Entertainment reportable segment information is presented in the following table:

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Disaggregated revenues:				
Advertising:				
US .....	\$ 462,400	\$ 452,600	\$ 861,800	\$ 851,000
Mexico .....	322,600	284,900	571,100	493,900
Total .....	<u>\$ 785,000</u>	<u>\$ 737,500</u>	<u>\$ 1,432,900</u>	<u>\$ 1,344,900</u>
Subscriber and licensing:				
US .....	\$ 320,600	\$ 324,800	\$ 647,100	\$ 650,900
Mexico .....	124,100	128,500	271,000	238,500
Total .....	<u>\$ 444,700</u>	<u>\$ 453,300</u>	<u>\$ 918,100</u>	<u>\$ 889,400</u>
Other:				
US .....	\$ 16,400	\$ 16,200	\$ 30,400	\$ 30,800
Mexico .....	11,600	12,800	25,300	25,600
Total .....	<u>\$ 28,000</u>	<u>\$ 29,000</u>	<u>\$ 55,700</u>	<u>\$ 56,400</u>
Revenue:				
US .....	\$ 799,400	\$ 793,600	\$ 1,539,300	\$ 1,532,700
Mexico .....	458,300	426,200	867,400	758,000
Total .....	<u>\$ 1,257,700</u>	<u>\$ 1,219,800</u>	<u>\$ 2,406,700</u>	<u>\$ 2,290,700</u>
Depreciation and amortization:				
Media and Entertainment .....	\$ 129,100	\$ 143,500	\$ 277,400	\$ 274,200
Corporate .....	5,600	4,900	11,100	10,000
Consolidated .....	<u>\$ 134,700</u>	<u>\$ 148,400</u>	<u>\$ 288,500</u>	<u>\$ 284,200</u>
Operating income (loss):				
Media and Entertainment .....	\$ 233,400	\$ 247,900	\$ 411,300	\$ 480,900
Corporate .....	(52,700)	(54,000)	(96,300)	(100,500)
Consolidated .....	<u>\$ 180,700</u>	<u>\$ 193,900</u>	<u>\$ 315,000</u>	<u>\$ 380,400</u>
Adjusted OIBDA:				
Media and Entertainment .....	\$ 399,300	\$ 407,400	\$ 753,900	\$ 800,400
Corporate .....	(37,300)	(33,500)	(63,400)	(65,500)
Consolidated .....	<u>\$ 362,000</u>	<u>\$ 373,900</u>	<u>\$ 690,500</u>	<u>\$ 734,900</u>
Capital expenditures:				
Media and Entertainment .....	\$ 20,100	\$ 39,500	\$ 56,800	\$ 79,200
Corporate .....	2,600	5,400	5,900	17,500
Consolidated .....	<u>\$ 22,700</u>	<u>\$ 44,900</u>	<u>\$ 62,700</u>	<u>\$ 96,700</u>
			<b>June 30, 2024</b>	<b>December 31, 2023</b>
Total assets:				
Media and Entertainment .....	\$	15,685,900	\$	16,241,900
Corporate .....		1,259,500		1,054,000
Consolidated .....	<u>\$</u>	<u>16,945,400</u>	<u>\$</u>	<u>17,295,900</u>

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

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Net income (loss) .....	\$ 14,100	\$ 1,800	\$ (37,900)	\$ (1,200)
(Benefit) provision for income taxes .....	(6,900)	8,700	(21,700)	50,000
Income (loss) before income taxes .....	7,200	10,500	(59,600)	48,800
Other expense (income):				
Interest expense .....	180,100	170,300	359,200	331,000
Interest income .....	(6,100)	(7,200)	(10,100)	(9,900)
Amortization of deferred financing costs .....	4,700	3,600	9,300	7,300
Loss on refinancing of debt .....	6,200	—	4,500	—
Other, net <sup>(a)</sup> .....	(11,400)	16,700	11,700	3,200
Operating income .....	180,700	193,900	315,000	380,400
Depreciation and amortization .....	134,700	148,400	288,500	284,200
Impairment loss <sup>(b)</sup> .....	9,400	200	10,400	400
Restructuring, severance and related charges .....	5,000	14,100	11,600	18,400
(Gain) loss on dispositions <sup>(c)</sup> .....	5,900	(200)	4,700	600
Share-based compensation .....	20,700	16,000	41,700	43,500
Purchase price adjustment <sup>(d)</sup> .....	1,300	1,400	2,700	6,400
Other adjustments to operating income <sup>(e)</sup> .....	4,300	100	15,900	1,000
<b>Adjusted OIBDA</b> .....	<b>\$ 362,000</b>	<b>\$ 373,900</b>	<b>\$ 690,500</b>	<b>\$ 734,900</b>

- (a) Other, net is primarily comprised of income or expense arising from the non-cash fair value adjustments on the Company's investments, foreign exchange (gain)/loss and other costs.
- (b) Impairment loss in 2024 and 2023 is related to program rights.
- (c) Loss on dispositions in 2024 relates to the retirement of fixed asset, partially offset by a gain related to lease modification. (Gain) loss on dispositions in 2023 primarily relates to the retirement of fixed assets.
- (d) Purchase price adjustment relates to programming amortization resulting from the fair value step-up of the program rights acquired as part of the TelevisaUnivision Transaction.
- (e) Other adjustments to operating income in 2024 and 2023 are primarily comprised of unusual and infrequent items as contract termination costs.

## 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 one reportable segment Media and Entertainment, consisting of Linear/Digital (formerly Media Networks) and Radio operations.

The Company's Media and Entertainment reportable segment aggregates its operating segments: Linear/Digital and Radio. The Company operates two broadcast television networks in the United States, *Univision Network* and *UniMás* which collectively represent more than half of Spanish language broadcast primetime viewership, and four broadcast television networks in Mexico, *Las Estrellas*, *Foro TV*, *Canal 5* and *Canal 9*. In addition, the Company operates 9 cable networks, including *Galavisión*, the second most-watched Spanish-language entertainment cable network, and *TUDN*, the #1 Spanish-language sports network and 29 cable networks in Mexico, including *Distrito Comedia* and *TL Novelas*. The Company owns or operates 59 local television stations in the United States and 16 local television stations in Mexico. In addition, the Company provides programming to 69 broadcast network station affiliates in the United States. Univision, UniMás and Galavisión are available on YouTube TV, increasing penetration. The Company's digital properties consist of online and various other websites. *Univision.com* is the Company's flagship digital property and is the #1 most visited Spanish-language websites. The digital offerings are anchored by ViX, a two-tier streaming service in one in one single app comprised of the free AVOD product and a paid premium SVOD option, which hosts over 50,000 hours of high-quality, original Spanish-language programming from distinguished producers and top talent. The offerings also include UnivisionNow.com, a direct-to-consumer, on-demand and live streaming subscription service, Univision.com, and various other local digital properties. The Company owns or operates 35 radio stations, including stations in 11 of the top 25 designated market areas ("DMAs"). The radio operations also includes the expansion of the *Uforia* brand, including the Uforia Music Series comprised of experiential and digital centric event series and the Company's *Uforia* music application featuring radio, music, and podcast content.

Additionally, the Company incurs and manages shared corporate expenses related to human resources, finance, legal and executive functions and certain assets separately from its Media and Entertainment 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 net (loss) income.

#### Revenue

##### *Ratings*

The Company's advertising and subscriber fee 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 subscriber 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.

##### *Revenue Recognition*

Advertising— The Company generates advertising revenue from the sale of commercial time 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 our various digital properties.

Subscriber Fee— Subscriber fee 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. Subscriber fee revenue is principally comprised of fees received from MVPDs and third-party live streaming services ("virtual MVPD's" or "vMVPD") 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.

Additionally, the Company's subscriber fee revenue includes monthly fees related to access to our SVOD global streaming platform. Subscribers are billed on a monthly basis in advance of obtaining access to the platform. Subscription fees related to the SVOD service are recognized ratably over the term of the subscription.

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.

Program Licensing— The Company licenses programming content for digital streaming and to other cable and satellite providers. Program licensing revenue is recognized when the content is delivered, and all related obligations have been satisfied.

Other Revenue— The Company classifies revenue from contractual commitments (including non-cash advertising and promotional revenue) 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.

For further details, See "Critical Accounting Policies—*Revenue Recognition*" within this Management's Discussion and Analysis.

#### *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 certain unusual and infrequent items and 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 debt investors. For important information about Adjusted OIBDA and a reconciliation of Adjusted OIBDA to net (loss) income, which is the most directly comparable GAAP financial measure see "Reconciliation of Non-GAAP Measures" and "Notes to Consolidated Financial Statements—19. *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, and 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 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 or ratios contained in the Company's Senior Secured Credit Facilities, the New Term Loan Facility and the indentures governing the Company's senior notes. For a reconciliation of Bank Credit Adjusted OIBDA to net loss, 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 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 net (loss) income, which is the most directly comparable GAAP financial measure.

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Revenue:				
Media and Entertainment .....	\$ 1,257,700	\$ 1,219,800	\$ 2,406,700	\$ 2,290,700
Consolidated .....	<u>\$ 1,257,700</u>	<u>\$ 1,219,800</u>	<u>\$ 2,406,700</u>	<u>\$ 2,290,700</u>
Adjusted OIBDA:				
Media and Entertainment .....	\$ 399,300	\$ 407,400	\$ 753,900	\$ 800,400
Corporate .....	(37,300)	(33,500)	(63,400)	(65,500)
Consolidated .....	<u>\$ 362,000</u>	<u>\$ 373,900</u>	<u>\$ 690,500</u>	<u>\$ 734,900</u>
Bank Credit Adjusted OIBDA:				
Media and Entertainment .....	\$ 404,400	\$ 408,800	\$ 761,000	\$ 803,200
Corporate .....	(34,200)	(30,300)	(57,400)	(59,300)
Consolidated .....	<u>\$ 370,200</u>	<u>\$ 378,500</u>	<u>\$ 703,600</u>	<u>\$ 743,900</u>

## Recent Developments

### ***2024 Financing Transactions***

On June 7, 2024, the Company issued \$500.0 million aggregate principal amount of its 8.500% senior notes due July 31, 2031 (the “2031 senior notes”). The Company concurrently used the proceeds to make a \$500.0 million partial repayment of the 2026 term loans.

On June 6, 2024, the Company entered into an amendment to its 2007 Credit Agreement, pursuant to which \$500.0 million aggregate principal amounts of its 2026 term loans was converted into a new tranche made up of a bank senior secured term loan facility maturing in 2029 (the “2029 new term loans”). The Company concurrently utilized the proceeds of the 2029 new term loans to make a \$500.0 million partial repayment of the 2026 term loans.

On January 22, 2024, the Company issued an additional \$240.7 million aggregate principal amount of its existing 8.000% senior notes due August 15, 2028 (the “additional 2028 senior notes”). The additional 2028 senior notes were issued under the same indenture governing the 2028 senior notes, have the same terms as the 2028 senior notes and are treated as a single series with the 2028 senior notes. The additional 2028 senior notes were priced at 101.000%. The Company concurrently used the proceeds to redeem all of the remaining outstanding 5.125% senior notes due 2025.

On January 4, 2024, the Company issued senior secured debt of \$100.0 million made up of a bank senior secured term loan A facility maturing in 2027 (subject to the Springing Maturity Date (as defined below)), which constitutes part of the same class of indebtedness as the Term Loan A Facility under the 2007 Credit Agreement (the “January 2024 Term Loan A Facility”). The Company concurrently utilized the proceeds of the January 2024 Term Loan A Facility to make a \$100.0 million partial redemption of the 5.125% senior notes due 2025.

### ***2023 Financing Transactions***

On December 18, 2023, the Company issued an additional \$700.0 million aggregate principal amount of its existing 8.000% senior notes due August 15, 2028 (the “December 2023 senior notes”). The December 2023 senior notes were issued under the same indenture governing the initial 2028 senior notes (as defined below), have the same terms as the initial 2028 senior notes and are treated as a single series with the initial 2028 notes. The December 2023 senior notes were priced at 100.500%. The Company concurrently used the proceeds to make a \$700.0 million partial redemption of the 5.125% senior notes due 2025.

On August 28, 2023, the Company issued senior secured debt of \$100.0 million made up of a bank senior secured term loan A facility maturing in 2027 (subject to the Springing Maturity Date (as defined below)), which constitutes part of the same class of indebtedness as the Term Loan A Facility under the 2007 Credit Agreement (the “August 2023 Term Loan A Facility”). The Company

concurrently utilized the proceeds of the August 2023 Term Loan A Facility to make a \$100.0 million partial redemption of the 5.125% senior notes due 2025.

On August 7, 2023, the Company issued \$500.0 million 8.000% senior notes due August 15, 2028 (the “initial 2028 senior notes”). The Company concurrently used the proceeds to prepay all of the \$161.3 million the remaining balance of the bank senior secured term B facility maturing in 2024 (the “2024 term loans”) and to make a \$338.7 million partial redemption of the 5.125% senior notes due 2025.

On July 26, 2023, the Company issued senior secured debt of \$100.0 million made up of a bank senior secured term loan A facility maturing in 2027 (subject to the Springing Maturity Date (as defined below)), which constitutes part of the same class of indebtedness as the Term Loan A Facility under the 2007 Credit Agreement (the “July 2023 Term Loan A Facility”). The Company concurrently utilized the proceeds of the July 2023 Term Loan A Facility to make a \$100.0 million partial prepayment of the 2024 term loans.

On June 30, 2023, the Company issued senior secured debt of \$100.0 million made up entirely of a bank senior secured term loan A facility maturing in 2027 (subject to the Springing Maturity Date (as defined below)), which constitutes part of the same class of indebtedness as the Term Loan A Facility under the 2007 Credit Agreement (as defined below) (the “June 2023 Term Loan A Facility”). The Company utilized the proceeds of the June 2023 Term Loan A Facility to make a \$100.0 million partial prepayment of the 2024 term loans.

## **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. In 2024, the increase in direct operating expenses is primarily related to increase in sports programming costs due to timing of soccer matches and technical costs associated with content production and streaming platform support.

### *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 Linear/Digital operations and initiatives to rationalize costs. In addition, the Company has and will continue to evaluate macroeconomic conditions and initiate certain cost-saving initiatives in light of expected macroeconomic trends affecting the U.S. and Mexico. 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. In 2024 and 2023 the Company primarily incurred restructuring charges related to the TelevisaUnivision Transaction. See “Notes to Consolidated Financial Statements—6. *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. For the three and six months ended June 30, 2024 and June 30, 2023, the Company recognized a non-cash impairment loss related to program rights which will no longer be aired. See “Notes to Consolidated Financial Statements — 8. *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, net.” 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—14. *Interest Rate Swaps*.”

### *Refinancing Transactions*

In connection with the Company’s debt refinancing transactions, to the extent that the transaction qualifies as a debt extinguishment, the Company writes-off any unamortized deferred financing costs or unamortized discounts or premiums related to the extinguished debt instruments. These charges are included in the (gain) loss on refinancing of debt in the periods in which the debt refinancing transactions occur. See “Notes to Consolidated Financial Statements—13. *Debt*.”

### *Share-based Compensation Expense*

For the three and six months ended June 30, 2024 and June 30, 2023 the Company recognized non-cash share-based compensation expense related to equity-based awards issued by TelevisaUnivision to the Company’s employees.

### *Provision for Income taxes*

The Company's second quarter effective tax rate is impacted by a number of factors, including income taxed in international jurisdictions with statutory rates different than the U.S. federal statutory rate, valuation allowance, various permanent tax differences and state and local taxes resulting in an effective tax rate of approximately 36% in 2024. The Company is part of a U.S. consolidated group with TelevisaUnivision for federal income and state tax purposes. The Company has calculated the income tax provision in the consolidated financial statements based on a separate tax return methodology. See “Notes to Consolidated Financial Statements—16. *Income Taxes*.”

In 2021, the Organization for Economic Cooperation and Development (OECD) released Pillar Two Global Anti-Base Erosion model rules, designed to ensure large corporations are taxed at a minimum rate of 15% in all countries of operation. The OECD continues to release guidance and several countries have enacted Pillar Two legislation effective on January 1, 2024. While the Company meets the thresholds to be subject to Pillar Two, most jurisdictions in which we operate have not implemented these rules yet. Therefore, the Company does not currently expect Pillar Two to have a material impact on the effective tax rate in 2024. As these rules continue to evolve with new legislation and guidance, we will continue to monitor and account for the enactment of Pillar Two rules in the countries where we operate, and the potential impacts such rules may have on our effective tax rate in future years.

### *Other, net*

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 and included in “Other, net” within the consolidated statement of operations. In addition, in 2024 and 2023 “Other, net” includes foreign exchange losses or gains, net periodic cost of the Company's retirement and legal indemnity plans and immaterial other costs.

## 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 June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue .....	\$ 1,257,700	\$ 1,219,800	\$ 2,406,700	\$ 2,290,700
Direct operating expenses:				
Programming excluding variable program license fee .....	456,700	435,400	868,800	782,800
Other .....	67,400	61,200	135,000	122,900
Total .....	524,100	496,600	1,003,800	905,700
Selling, general and administrative expenses .....	397,900	366,800	772,700	701,000
Impairment loss .....	9,400	200	10,400	400
Restructuring, severance and related charges .....	5,000	14,100	11,600	18,400
Depreciation and amortization .....	134,700	148,400	288,500	284,200
Loss (gain) on dispositions .....	5,900	(200)	4,700	600
Operating income .....	180,700	193,900	315,000	380,400
Other expense (income):				
Interest expense .....	180,100	170,300	359,200	331,000
Interest income .....	(6,100)	(7,200)	(10,100)	(9,900)
Amortization of deferred financing costs .....	4,700	3,600	9,300	7,300
Loss on refinancing of debt .....	6,200	—	4,500	—
Other, net .....	(11,400)	16,700	11,700	3,200
Income (loss) before income taxes .....	7,200	10,500	(59,600)	48,800
(Benefit) provision for income taxes .....	(6,900)	8,700	(21,700)	50,000
Net income (loss) .....	\$ 14,100	\$ 1,800	\$ (37,900)	\$ (1,200)

In comparing the Company's results of operations for the three and six months ended June 30, 2024 ("2024") with that ended June 30, 2023 ("2023"), in addition to the factors referenced above affecting the Company's results, the following should be noted:

- During the three months ended June 30, 2024 and June 30, 2023, the Company recorded non-cash impairment charges of \$9.4 million and \$0.2 million respectively, related to the write down of program rights, which will no longer be aired. During the six months ended June 30, 2024 and June 30, 2023, the Company recorded non-cash impairment charges of \$10.4 million and \$0.4 million, respectively, related to the write down of program rights, which will no longer be aired.
- During the three months ended June 30, 2024 and 2023, the Company recorded \$5.0 million and \$14.1 million, respectively, in restructuring, severance and related charges. These charges relate to restructuring and severance arrangements with employees and executives and other non-employee related costs. During the six months ended June 30, 2024 and 2023, the Company recorded \$11.6 million and \$18.4 million, respectively, in restructuring, severance and related charges. These charges relate to restructuring and severance arrangements with employees and executives and other non-employee related costs.
- During the three and six months ended June 30, 2024, the Company recorded a loss on refinancing of debt of \$6.2 million and \$4.5 million, respectively, in 2024 and zero in 2023, due to partial debt extinguishment. See "Notes to Consolidated Financial Statements—13. Debt.
- During the three months ended June 30, 2024, the Company recognized in "Other, net" a gain of \$11.4 million primarily due to a legal settlement of \$10.8 million, unrealized gain of \$3.7 million arising from the non-cash change in fair value of its Entravision investment, and foreign exchange gain of \$4.4 million, partially offset by \$3.4 million arising from net periodic costs other than service costs from pension and legal indemnity and other, net of \$4.1 million. During the three months ended June 30, 2023, the Company recognized in Other, net a loss of \$16.7 million primarily due to an unrealized loss of \$15.5



million arising from the non-cash change in fair value of its Entravision investment, \$2.9 million arising from net periodic costs other than service costs from pension and legal indemnity, acquisition related costs of \$2.8 million, and other, net \$1.7 million, partially offset by foreign exchange gain of \$5.4 million. During the six months ended June 30, 2024, the Company recognized in "Other, net" a loss of \$11.7 million primarily due to an unrealized loss of \$20.0 million arising from the non-cash change in fair value of its Entravision investment, \$7.0 million arising from net periodic costs other than service costs from pension and legal indemnity, other, net of \$3.1 million and foreign exchange loss of \$1.1 million partially offset by a legal settlement of \$10.8 million and a realized gain on investment of \$8.7 million. During the six months ended June 30, 2023, the Company recognized in Other, net a loss of \$3.2 million primarily due to \$10.1 million arising from net periodic costs other than service costs for pension and legal indemnity, an unrealized loss of \$3.8 million arising from the non-cash change in fair value of its Entravision investment and acquisition related costs of \$3.1 million and other, net of \$2.7 million, partially offset by a foreign exchange gain of \$16.5 million.

### **Three Months Ended June 30, 2024 Compared to Three Months Ended June 30, 2023**

*Revenue.* Consolidated revenue was \$1,257.7 million for the three months ended June 30, 2024, compared to \$1,219.8 million for the three months ended June 30, 2023, an increase of \$37.9 million or 3.1%. The increase was driven by \$32.1 million from the Mexico business mainly driven by National advertising growth which included the impact of a revenue arrangement with an affiliate to record revenue on a gross basis, growth in ViX's premium subscription tier, positive impact of foreign exchange rate, partially offset by declines in traditional MVPDs and sports licensing and \$5.8 million from the U.S. business driven by National advertising growth, growth in ViX's premium subscription tier, growth in virtual MVPDs partially offset by declines in traditional MVPDs.

Media and Entertainment advertising revenue was \$785.0 million compared to \$737.5 million for the same prior period, an increase of \$47.5 million or 6.4%. The increase was driven by \$37.7 million from the Mexico business and \$9.8 million from the U.S. business. Mexico advertising revenue was \$322.6 million in 2024 compared to \$284.9 million in 2023, an increase of \$37.7 million, or 13.2% driven by National advertising growth including the impact of revenue arrangement with an affiliate to record revenue on a gross basis and the positive impact of foreign exchange rate. U.S. advertising revenue was \$462.4 million in 2024 compared to \$452.6 million in 2023, an increase of \$9.8 million, or 2.2% driven by National advertising growth.

Media and Entertainment subscription and licensing revenue (which includes subscriber fee revenue and program licensing revenue) was \$444.7 million in 2024 compared to \$453.3 million for the same prior period, a decrease of \$8.6 million, or -1.9%. The decrease was due to \$4.4 million from the Mexico business and \$4.2 million from the U.S. business. Mexico subscription and licensing revenue was \$124.1 million in 2024 compared to \$128.5 million in 2023, a decrease of \$4.4 million or -3.4%, primarily due to a decrease in traditional MVPDs and sports licensing partially offset by the growth in ViX's premium subscription tier, and the positive impact of foreign exchange rate. U.S. subscription and licensing revenue was \$320.6 million in 2024 compared to \$324.8 million in 2023, a decrease of \$4.2 million or -1.3%, as growth in ViX's premium tier and growth in virtual MVPDs was more than offset by declines in traditional MVPDs and licensing revenue.

Other revenue in the Media and Entertainment segment was \$28.0 million in 2024 compared to \$29.0 million in the same prior period. U.S. other revenue was \$16.4 million in 2024 compared to \$16.2 million in 2023. Mexico other revenue was \$11.6 million in 2024 compared to \$12.8 million in 2023.

*Direct operating expenses – programming.* Programming expenses, increased to \$456.6 million in 2024 compared to \$435.4 million in 2023, an increase of \$21.2 million or 4.9%. As a percentage of revenue, programming expenses increased to 36.3% in 2024 from 35.7% in 2023. The increase was driven by the negative impact of foreign exchange rate, an increase in sports programming costs of \$29.2 million driven by timing of soccer matches versus the prior period and an increase in news programming costs of \$7.1 million driven by election related coverage, partially offset by a decrease in entertainment programming costs of \$15.1 million driven by linear and streaming content investments.

*Direct operating expenses – other.* Other direct operating expenses increased to \$67.5 million in 2024 from \$61.2 million in 2023, an increase of \$6.3 million or 10.3%, driven by an increase in technical costs associated with content production and support of the streaming platform. The increase was driven by \$3.4 million from the Mexico business and \$2.9 million from the U.S. business. As a percentage of revenue, other direct operating expenses increased to 5.4% in 2024 from 5.0% in 2023.

*Selling, general and administrative expenses.* Selling, general and administrative expenses increased to \$397.9 million in 2024 from \$366.8 million in 2023, an increase of \$31.1 million or 8.5%. The increase was driven by \$15.5 million from the U.S. business and \$15.6 million from the Mexico business. The increase was driven by the negative impact of foreign exchange rate, continued

investments in our Streaming platform and investments in the expansion of third party advertising sales business in Mexico. On a consolidated basis, as a percentage of revenue, selling, general and administrative expenses increased to 31.6% in 2024 from 30.1% in 2023.

*Impairment loss.* In 2024, the Company recorded a non-cash impairment loss of \$9.4 million related to the write down of program rights that will no longer be aired. In 2023, the Company recorded a non-cash impairment loss of \$0.2 million related to the write down for program rights, which will no longer be aired.

*Restructuring, severance and related charges.* For the three months ended June 30, 2024, the Company recognized approximately \$5.0 million of restructuring, severance and related charges, which is comprised of \$7.1 million related to severance charges for individual employees, offset by a reversal of \$2.1 million related to restructuring activities. In 2024, the restructuring charge reversal of \$2.1 million consists of \$1.1 million for non-employees related items and lease obligations, offset by reversal of \$3.2 million in employee termination. For the three months ended June 30, 2023, the Company recognized approximately \$14.1 million of restructuring, severance and related charges, consisting of \$9.9 million in employee termination benefits and related charges and \$4.2 million for non-employees related items and lease obligations. See “Notes to Consolidated Financial Statements—6. *Accounts Payable and Accrued Liabilities.*”

*Depreciation and amortization.* Depreciation and amortization decreased to \$134.7 million in 2024 from \$148.4 million in 2023, a decrease of \$13.7 million or 9% primarily due to disposition of fixed assets.

*Loss (gain) on dispositions.* In 2024, the Company recorded a loss on dispositions of \$5.9 million primarily related to the retirement of fixed assets. In 2023, the Company recorded a gain on dispositions of \$0.2 million related to the retirement of fixed assets.

*Operating income.* As a result of the factors discussed above and in the results of operations overview, the Company had operating income of \$180.7 million in 2024 and \$193.9 million in 2023, a decrease of \$13.2 million.

*Interest expense.* Interest expense increased to \$180.1 million in 2024 from \$170.3 million in 2023, an increase of \$9.8 million due to higher interest rates on new debt and the impact of using the Secured Overnight Financing Rate (“SOFR”). See “Notes to Consolidated Financial Statements—13. *Debt* and 14. *Interest Rate Swaps.*”

*Interest income.* In 2024 and 2023, the Company recorded interest income of \$6.1 million and \$7.2 million, respectively.

*Amortization of deferred financing costs.* Amortization of deferred financing costs was \$4.7 million in 2024 and \$3.6 million in 2023, an increase of \$1.1 million. See “Notes to Consolidated Financial Statements—13. *Debt.*”

*Loss on refinancing of debt.* Loss on refinancing of debt was \$6.2 million in 2024 and zero in 2023, an increase of \$6.2 million due to partial debt extinguishment. See “Notes to Consolidated Financial Statements—13. *Debt.*”

*Other, net.* In 2024 the Company recognized in other, net a gain of \$11.4 million primarily due to a legal settlement of \$10.8 million, unrealized gain of \$3.7 million arising from the non-cash change in fair value of its Entravision investment, and foreign exchange gain of \$4.4 million partially offset by \$3.4 million arising from net periodic costs other than service costs from pension and legal indemnity and other, net of \$4.1 million. In 2023, the Company recognized a loss \$16.7 million primarily due to an unrealized loss of \$15.5 million arising from the non-cash change in fair value of its Entravision investment, \$2.9 million arising from net periodic costs other than service costs from pension and legal indemnity, acquisition related costs of \$2.8 million, and other, net \$1.7 million, partially offset by foreign exchange gain of \$5.4 million.

*Provision for income taxes.* In 2024, for the three month period ended June 30, 2024, the Company reported an income tax benefit of \$6.9 million compared to an income tax provision of \$8.7 million for the three month period ended June 30, 2023. See “Notes to Consolidated Financial Statements—16. *Income Taxes.*”

*Net income.* As a result of the above factors, the Company reported net income of \$14.1 million and \$1.8 million in 2024 and 2023, respectively.

*Adjusted OIBDA and Bank Credit Adjusted OIBDA.* Adjusted OIBDA decreased to \$362.0 million in 2024 from \$373.9 million in 2023, a decrease of \$11.9 million or 3.2% and Bank Credit Adjusted OIBDA decreased to \$370.2 million in 2024 from \$378.5 million in 2023, decrease of \$8.3 million or 2.2%. The decrease 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 decreased to 28.8% in 2024 from 30.7% in 2023 and Bank Credit Adjusted OIBDA decreased to 29.4% in 2024 from 31.0% in 2023. For a reconciliation of Adjusted OIBDA and Bank Credit Adjusted OIBDA to net loss, which is the most directly comparable GAAP financial measure, see "Reconciliation of Non-GAAP Measures" below.

### **Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023**

*Revenue.* Consolidated revenue was \$2,406.7 million for the six months ended June 30, 2024 compared to \$2,290.7 million for the six months ended June 30, 2023, an increase of \$116.0 million or 5.1%. The increase was driven by \$109.4 million from the Mexico business mainly driven by National advertising growth, which included the impact of a revenue arrangement with an affiliate to record revenue on a gross basis, growth in ViX's premium subscription tier, growth in licensing revenue and positive impact of foreign exchange rate, partially offset by declines in traditional MVPDs and \$6.6 million from the U.S. business driven by growth in ViX's premium subscription tier, growth in virtual MVPDs, partially offset by declines in traditional MVPDs and lower licensing revenue.

Media and Entertainment advertising revenue was \$1,432.9 million compared to \$1,344.9 million for the same prior period, an increase of \$88.0 million or 6.5%. The increase was driven by \$77.2 million from the Mexico business and \$10.8 million from the U.S. business. Mexico advertising revenue was \$571.1 million in 2024 compared to \$493.9 million in 2023, an increase of \$77.2 million, or 15.6% driven by National advertising growth, which included the impact of revenue arrangement with an affiliate to record revenue on a gross basis and the positive impact of foreign exchange. U.S. advertising revenue increased to \$861.8 million in 2024 compared to \$851.0 million in 2023 an increase of \$10.8 million or 1.3% driven by National advertising growth.

Media and Entertainment subscription and licensing revenue (which includes subscriber fee revenue and program licensing revenue) was \$918.1 million in 2024 compared to \$889.4 million for the same prior period, an increase of \$28.7 million, or 3.2%. The increase was driven by \$32.5 million from the Mexico business and partially offset by a \$3.8 million decrease from the U.S. business. Mexico subscription and licensing revenue was \$271.0 million in 2024 compared to \$238.5 million in 2023, an increase of \$32.5 million or 13.6%, driven by an increase in ViX's premium subscription tier, the positive impact of foreign exchange and an increase in licensing revenue, partially offset by declines in traditional MVPDs. U.S. subscription licensing revenue was \$647.1 million in 2024 compared to \$650.9 million in 2023, a decrease of \$3.8 million primarily due to declines in traditional MVPDs and licensing revenue partially offset by growth in ViX's premium subscription tier and virtual MVPDs.

Other revenue in the Media and Entertainment segment was \$55.7 million in 2024 compared to \$56.4 million in the same prior period. U.S. other revenue was \$30.4 million in 2024 compared to \$30.8 million in 2023. Mexico other revenue was \$25.3 million in 2024 compared to \$25.6 million in 2023.

*Direct operating expenses – programming.* Programming expenses, increased to \$868.7 million in 2024 compared to \$782.8 million in 2023, an increase of \$85.9 million or 11.0%. As a percentage of revenue, programming expenses increased to 36.1% in 2024 from 34.2% in 2023. The increase was driven by the negative impact of foreign exchange rate, an increase in sports programming costs of \$73.4 million primarily due to the timing of soccer matches versus the prior period, an increase in news programming costs of \$8.5 million driven by election related coverage, and an increase in entertainment programming costs of \$4.0 million driven by linear and streaming content investments.

*Direct operating expenses – other.* Other direct operating expenses increased to \$135.1 million in 2024 from \$122.9 million in 2023, an increase of \$12.2 million or 9.9% driven by an increase in technical costs associated with content production and support of the streaming platform. The increase was driven by \$7.7 million from the Mexico business and \$4.5 million from the U.S. business. As a percentage of revenue, other direct operating expenses increased to 5.6% in 2024 from 5.4% in 2023.

*Selling, general and administrative expenses.* Selling, general and administrative expenses increased to \$772.7 million in 2024 from \$701.0 million in 2023, an increase of \$71.7 million or 10.2%. The increase was driven by \$57.7 million from the Mexico business and \$14.0 million from the U.S. business. The increase was primarily driven by the negative impact of foreign exchange rate, continued investments in our Streaming platform and investments in the expansion of third party advertising sales business in Mexico. On a consolidated basis, as a percentage of revenue, selling, general and administrative expenses increased to 32.1% in 2024 from 30.6% in 2023.

*Impairment loss.* In 2024, the Company recorded a non-cash impairment loss of \$10.4 million related to the write down of program rights that will no longer be aired. In 2023, the Company recorded a non-cash impairment loss of \$0.4 million related to the write down for program rights that will no longer be aired.

*Restructuring, severance and related charges.* For the six months ended months ended June 30, 2024, the Company recognized approximately \$11.6 million of restructuring, severance and related charges, which is comprised of \$7.1 million related to severance charges for individual employees and \$4.5 million related to restructuring activities. In 2024, the restructuring charge of \$4.5 million consists of \$5.6 million in non-employees related items and lease obligations partially offset by a reversal of \$1.1 million in employee termination related charges. For the six months ended months ended June 30, 2023, the Company recognized approximately \$18.4 million of restructuring, severance and related charges, consisting of \$12.8 million in employee termination benefits and related charges and \$5.6 million for non-employees related items and lease obligations. See “Notes to Consolidated Financial Statements—6. *Accounts Payable and Accrued Liabilities.*”

*Depreciation and amortization.* Depreciation and amortization increased to \$288.5 million in 2024 from \$284.2 million in 2023, an increase of \$4.3 million or 1.5% primarily due to an increase in tangible assets, offset by decrease due to the retirement of fixed assets.

*Loss on dispositions.* In 2024, the Company recorded a loss on dispositions of \$4.7 million primarily related to the retirement of fixed assets, partially offset by a gain related to lease modifications. In 2023, the Company recorded a loss on dispositions of \$0.6 million related to the retirement of fixed assets.

*Operating income.* As a result of the factors discussed above and in the results of operations overview, the Company had operating income of \$315.0 million in 2024 and \$380.4 million in 2023, a decrease of \$65.4 million.

*Interest expense.* Interest expense increased to \$359.2 million in 2024 from \$331.0 million in 2023, an increase of \$28.2 million due to higher interest rates on new debt and the impact of using the SOFR. See “Notes to Consolidated Financial Statements—13. *Debt* and 14. *Interest Rate Swaps.*”

*Interest income.* In 2024 and 2023, the Company recorded interest income of \$10.1 million and \$9.9 million, respectively.

*Amortization of deferred financing costs.* Amortization of deferred financing costs was \$9.3 million in 2024 and \$7.3 million in 2023, an increase of \$2.0 million. See “Notes to Consolidated Financial Statements—13. *Debt.*”

*Loss on refinancing of debt.* Loss on refinancing of debt was \$4.5 million in 2024 and zero in 2023, an increase of \$4.5 million due to partial debt extinguishment. See “Notes to Consolidated Financial Statements—13. *Debt.*”

*Other, net.* In 2024 the Company recognized in other, net a loss of \$11.7 million primarily due to an unrealized loss of \$20.0 million arising from the non-cash change in fair value of its Entravision investment, \$7.0 million arising from net periodic costs other than service costs from pension and legal indemnity, other, net of \$3.1 million and foreign exchange loss of \$1.1 million, partially offset by a legal settlement of \$10.8 million and a realized gain on investment of \$8.7 million. In 2023, the Company recognized a loss of \$3.2 million primarily due to \$10.1 million arising from net periodic costs other than service costs for pension and legal indemnity, an unrealized loss of \$3.8 million arising from the non-cash change in fair value of its Entravision investment and acquisition related costs of \$3.1 million and other, net of \$2.7 million, partially offset by a foreign exchange gain of \$16.5 million.

*Provision for income taxes.* In 2024, for the six months ended June 30, 2024, the Company reported an income tax benefit of \$21.7 million compared to an income tax provision of \$50.0 million for the six months ended June 30, 2023. See “Notes to Consolidated Financial Statements—16. *Income Taxes.*”

*Net loss.* As a result of the above factors, the Company reported net loss of \$37.9 million and \$1.2 million in 2024 and 2023, respectively.

*Adjusted OIBDA and Bank Credit Adjusted OIBDA.* Adjusted OIBDA decreased to \$690.5 million in 2024 from \$734.9 million in 2023, a decrease of \$44.4 million or 6.0% and Bank Credit Adjusted OIBDA decreased to \$703.6 million in 2024 from \$743.9 million in 2023, decrease of \$40.3 million or 5.4%. The decrease 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 decreased to 28.7% in 2024 from 32.1% in 2023 and Bank Credit Adjusted OIBDA decreased to 29.2% in 2024 from 32.5% in 2023. For a reconciliation of Adjusted OIBDA and Bank Credit Adjusted OIBDA to net loss, 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.* Cash flows provided by operating activities for the six months ended June 30, 2024 were \$149.6 million compared to cash flows used in operating activities for the six months ended June 30, 2023 of \$21.0 million, an increase in source of cash of \$170.6 million. The increased in source of cash of \$170.6 million is primarily due to timing of payments.

*Cash Flows from Investing Activities.* Cash flows used in investing activities were \$54.0 million for the six months ended June 30, 2024 compared to cash flows used in investing activities of \$141.7 million for the six months ended June 30, 2023. During the six months ended June 30, 2024, the Company received proceeds of \$8.7 million from investments and other, net. During the six months ended June 30, 2024, the Company used \$62.7 million in cash related to capital expenditures. During the six months ended June 30, 2023, the Company used \$45.0 million in investments and other, net and Acquisition of businesses, net of cash acquired. During the six months ended June 30, 2023, the Company used \$96.7 million in cash related to capital expenditures.

*Cash Flows from Financing Activities.* Cash flows used in financing activities were \$66.6 million for the six months ended June 30, 2024 compared to cash flows used in financing activities of \$35.5 million for the six months ended June 30, 2023. During the six months ended June 30, 2024, the Company had net use of cash of \$66.6 million, including a \$340.7 million redemption of all of the remaining outstanding 5.125% senior notes due 2025, a \$1,000.0 million partial repayment of the Company's secure term loan due 2026, a \$10.0 million payment of financing fees, a \$8.6 million payment on the Company's senior secured term loan due 2026, a \$23.1 million payment on the Company's 2022 Term Loan A Facility maturing in 2027, a \$5.1 million payment on the January 2029 term loans and a \$2.6 million payment on the Company's 2022 Term Loan B Facility maturing in June 2029, and finance lease payments and other of \$33.1 million, partially offset by \$495.0 million proceeds from the issuance of the 2031 senior notes (net of discount of \$5.0 million), \$500.0 million proceeds from the June 2024 term loan due 2029, \$243.1 million proceeds from the issuance of the 2028 senior notes (including premium of \$2.4 million), \$100.0 million proceeds from the June 2023 Term Loan A Facility and \$39.3 million in proceeds from swap interest. During the six months ended June 30, 2024, long-term debt decreased by \$75.2 million, resulting in a net use of cash of \$75.2 million. In addition, for the six months ended June 30, 2024, the Company had a net use of cash of \$20.7 million related to dividend payments. During the six months ended June 30, 2023, long-term debt decreased by \$44.8 million, resulting in a net use of cash of \$44.8 million.

### *Use of Funds*

The Company's primary near-term uses of funds include funding operations and servicing the Company's debt. The Company also expects to make capital expenditures related to information technology, normal capital purchases or improvements and 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 fiscal year 2024 is for approximately \$125.0 million.

As of June 30, 2024, the Company's medium and long-term requirements for cash include funding for the long-term debt obligations due over the next five years of \$7,352.7 million and funding for programming, leases, research tools, information technology, and other contractual obligations over the next five years of \$2,003.4 million, \$357.7 million, \$299.5 million, \$163.9 million, and \$1,754.7 million, respectively. The funding for our long-term debt obligations include payment of the principal amount (including discount and premium amounts), amounts under the Company's revolving credit facility, anticipated cash interest payments related to the Company's fixed rate debt, which includes the senior secured notes, anticipated cash interest payments related to the Company's variable rate debt, which includes the senior secured term loans and the accounts receivable facility and the Company's note payable with Grupo Televisa.

### *Source of Funds*

The Company's sources of funds for near-term liquidity include 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. Funding for our long-term debt obligations due over the next five years is expected to come from our ability to refinance our debt and cash generated from operating activities. Funding for our programming, leases, research tools, information technology and other contractual obligations over the next five years are expected to come from cash generated from operating activities.

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.

As of June 30, 2024, 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.

## Debt and Financing Transactions

As of June 30, 2024, the Company had total committed capacity, defined as maximum available borrowings under various existing debt arrangements plus cash and cash equivalents, of \$9,791.1 million. Of this committed capacity, \$9,251.0 million was outstanding as debt, \$7.9 million was outstanding as letters of credit and \$532.2 million was unused. As of June 30, 2024, 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 .....	\$ 240,100	\$ —	\$ —	\$ 240,100
Replacement bank senior secured revolving credit facility maturing in 2025 <sup>(a)</sup> — alternate bases .....		—	—	—
Replacement bank senior secured revolving credit facility maturing in 2027 <sup>(a)</sup> — alternate bases .....		—	—	—
Bank senior secured term loans maturing in 2026 <sup>(a)</sup> —SOFR with a 0.75% floor + 3.25% .....	906,100	—	906,100	—
2022 Term Loan A Facility maturing in 2027 <sup>(a)</sup> — alternate bases .....	831,500	—	831,500	—
2022 Bank senior secured term loans maturing in January 2029 <sup>(a)</sup> —SOFR with a 0.75% floor + 3.25% .....	1,026,400	—	1,026,400	—
2024 Bank senior secured term loans maturing in January 2029 <sup>(a)</sup> —SOFR with a 0.75% floor + 3.50% .....	500,000	—	500,000	—
2022 Term Loan B Facility maturing in June 2029 <sup>(a)</sup> — alternate bases .....	490,000	—	490,000	—
Senior Secured Notes <sup>(a)</sup> :				
6.625% Senior Secured Notes due 2027 <sup>(b)</sup> .....	1,500,000	—	1,500,000	—
8.000% Senior Secured Notes due 2028 <sup>(b)</sup> .....	1,440,700	—	1,440,700	—
4.500% Senior Secured Notes due 2029 <sup>(b)</sup> .....	1,050,000	—	1,050,000	—
7.375% Senior Secured Notes due 2030 <sup>(b)</sup> .....	900,000	—	900,000	—
8.500% Senior Secured Notes due 2031 <sup>(b)</sup> .....	500,000	—	500,000	—
Accounts receivable facility maturing in 2026 <sup>(a)</sup> —SOFR + 1.40% .....	400,000	7,900	100,000	292,100
Other long-term debt .....	6,300	—	6,300	—
	<u>\$ 9,791,100</u>	<u>\$ 7,900</u>	<u>\$ 9,251,000</u>	<u>\$ 532,200</u>

(a) See "Notes to Consolidated Financial Statements—13. 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.

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

The Company's Senior Secured Credit Facilities and 2022 Term Loan Facility are guaranteed by Broadcast Media Partners Holdings, Inc. ("Broadcast 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,

New Term Loan Facility 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 and the 2022 Term Loan Facility. The senior secured notes are not guaranteed by Holdings.

The Company's Senior Secured Credit Facilities, 2022 Term Loan Facility and existing senior secured notes 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. as borrower, Holdings (other than with respect to the existing senior secured notes) 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 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 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 existing senior secured notes are not secured by any assets of Holdings (and are therefore not secured by the stock of the Company).

#### *Summarized Guarantor Financial Information*

The Company's senior secured notes are secured by substantially all of Univision Communications Inc.'s and the subsidiary guarantors' (collectively, the "Guarantors") property and assets that secure the Company's Senior Secured Credit Facilities and the 2022 Term Loan Facility. All guarantees to the senior secured notes are full and unconditional, joint and several and secured, and cover all payment obligations arising under the secured senior notes.

The Company has included the accompanying summarized combined financial information of the Guarantors after the elimination of intercompany transactions and balances among the Guarantors and investments in any subsidiary of the Parent that is a non-guarantor (in thousands):

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Current assets .....	\$ 1,247,300	\$ 1,090,100
Noncurrent assets .....	9,126,700	9,266,200
Current liabilities .....	634,500	754,100
Noncurrent liabilities .....	10,143,400	9,997,900
	<b>Six Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
Revenue .....	\$ 1,557,300	\$ 1,516,900
Operating income .....	288,100	366,400
Net (loss) income .....	(23,800)	7,500

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 June 30, 2024, the total assets and total liabilities associated with the Accounts Receivable Facility were approximately \$721.2 million and \$100.0 million, respectively, comprising 4.3% and 0.8% 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 subsidiary as an "unrestricted subsidiary" for purposes of its credit agreement governing the Senior Secured Credit Facilities and the 2022 Term Loan Facility and indentures governing the existing 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 agreements governing the Senior Secured Credit Facilities and the 2022 Term Loan Facility and indentures governing the existing 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 agreements governing the Senior Secured Credit Facilities and the 2022 Term Loan Facility and indentures governing the existing senior secured notes.

The agreements governing the Senior Secured Credit Facilities, the 2022 Term Loan Facility and the existing 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 governing the Senior Secured Credit Facilities 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, the New Term Loan Facility and the existing senior secured notes as of June 30, 2024.

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 and/or the 2022 Term Loan Facility 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 2022 Term Loan Facility, and the acceleration of debt under the Senior Secured Credit Facilities and/or the 2022 Term Loan Facility 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 and the 2022 Term Loan Facility, the lenders will have the right to proceed against the collateral (but in the case of the 2022 Term Loan Facility, subject to the intercreditor agreement).

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 and the 2022 Credit Agreement also each provide that the Company may increase its existing revolving credit facilities and/or term loans facilities by additional amounts if certain conditions are met.

#### *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 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.

On February 28, 2020, the Company entered into two forward-starting interest rate swaps that converted 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 were to mature in February 2024. On September 10, 2021, the Company modified these two outstanding forward-starting interest rate swaps to extend the maturity from February 2024 to February 2026 and the floor was reduced from 1.00% to 0.75%. As a result of this modification, there was an other-than-insignificant financing element identified which resulted in our swap settlement payments being classified as financing cash flows. In June 2023, the Company entered into bilateral agreements with its swap counterparties to transition all of its interest rate swap agreements to SOFR. The Company made various ASC 848 elections related to changes in critical terms of the hedging relationships due to reference rate reform to not result in a de-designation of these hedging relationships. As result of the SOFR transition, the floor was also reduced from 0.75% to 0.63552% on the two outstanding forward-starting interest rate swaps maturing in February 2026. As of June 30, 2024, all of the Company's interest rate swap agreements were indexed to SOFR. The weighted average interest rate as of June 30, 2024 was approximately 2.23%.

As of June 30, 2024, the Company has two remaining effective cash flow hedges.

## **Other**

### *General*

Based on the Company's current level of operations, planned capital expenditures and major contractual obligations, the Company believes that its cash flows 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. See also the discussion of the Debt transactions in "2023 Financing Transactions" above.

### *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 new management. The cash 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.

## **Quantitative and Qualitative Disclosures about Market Risk**

*Interest Rate Swaps* - 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 June 30, 2024, the Company had approximately \$1.3 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 would result in a \$7.2 million change to interest expense on pre-tax earnings or 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."

*Foreign Currency*—The reporting currency of the Company is the U.S. dollar. The functional currency of most of the Company's international subsidiaries is the local currency. Financial statements of subsidiaries whose functional currency is not the U.S. dollar are translated at exchange rates in effect at the balance sheet date for assets and liabilities and at average exchange rates for revenues and expenses for the respective periods. Translation adjustments are recorded in accumulated other comprehensive income (loss). Foreign currency transaction gains and losses resulting from the conversion of the transaction currency to functional currency are included in "Other, net".

## **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 commercial time 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 our various digital properties. 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 guaranteed 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.

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 related to U.S. broadcasting operations are 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 (primarily sponsorship) is recognized over the period that the advertisement run. "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 come 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 Mexican market. 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 and other advertising from periods within the year in which the major sporting events programming do 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.

As result of the TelevisaUnivision Transaction, the Company committed to provide free advertising to Club Fútbol América through the 2025/2026 Mexican soccer season. See "Notes to Consolidated Financial Statements—12. *Related Party Transactions*."

**Subscriber Fee**—Subscriber fee 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. Subscriber fee revenue is principally comprised of fees received from multichannel video programming distributors ("MVPDs") and third-party live streaming services ("virtual MVPD's") for authorizing carriage of the Company's networks and for 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 and vMVPDs 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. Subscriber fee 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. Subscriber fees received from cable and satellite MVPDs are recognized as revenue in the period during which services are provided. 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.

Additionally, the Company's subscriber fee revenue includes monthly fees related to access to our SVOD global streaming platform. Subscribers are billed on a monthly basis in advance of obtaining access to the platform. Subscription fees related to the SVOD service are recognized ratably over the term of the subscription.

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. These renewals have historically included double-digit rate increases at or around the renewal date with moderate annual increases thereafter. The major distribution agreements expirations are staggered through 2026. In the future, as the Company negotiates new contracts, it anticipates that its subscriber fee revenue will increase. The Company's success in increasing its subscriber fee revenue will depend on the rate of subscriber declines along with the Company's ability to successfully negotiate new carriage agreements with virtual MVPDs and renew its existing carriage agreements 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 declining subscribers, consolidation in the cable or satellite MVPD industry or for other reasons. The Company also receives subscriber fee revenue related to fees for the licensing of its content.

Program Licensing—The Company licenses programming content for digital streaming and to other cable and satellite providers. Program 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 program 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.

#### *Program Rights and Prepayments*

The Company produces and acquires program rights to exhibit programming on its broadcast and cable networks and one digital streaming platform. Program rights principally consist of television series, specials, movies, and sporting events. Program rights aired on the Company's broadcast and cable networks and digital streaming platforms is sourced from a wide range of third-party producers, wholly-owned production studios, and sports associations. Costs for internally-produced and acquired programming rights, including prepayments for such costs, are recorded within the non-current portion of "Program rights and prepayments" on the consolidated balance sheet, with the exception of content acquired with an initial license period of 12 months or less and prepaid sports rights expected to air within 12 months.

The Company capitalizes costs for produced program rights, including direct production costs, development costs, print costs, and production overhead, of original programs when incurred. For licensed program rights, the costs incurred to acquire programming are capitalized as a program right and prepayment and a corresponding liability payable to the licensor are recorded 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. Programming rights and prepayments includes advance payments for rights to air sporting events that will take place in the future.

For purposes of amortization and impairment, the capitalized content costs are classified based on their predominant monetization strategy. Programs rights are either monetized individually or as part of a film group. The substantial majority of our program rights and prepayments are predominantly monetized as a film group on our broadcast and cable networks or on our digital streaming platform. For programming rights that are predominantly monetized as part of our broadcast and cable networks film group, which includes licensed content and internally-produced television programs, capitalized costs are amortized based on an estimate of the timing of our usage of and benefit from such programming, generally resulting in an accelerated or straight-line amortization pattern. Programming rights that are predominantly monetized as part of our digital streaming platform due to a lack of historical information with respect to usage pattern on our digital platform are generally amortized on a straight-line basis over an initial

estimated economic life of six (6) years or the lesser of a license period, if applicable. As we obtain more historical information, our estimate used to amortize our programming rights monetized on our digital streaming platform will be adjusted as necessary. Adjustments to projected usage are applied prospectively in the period of the change. Such changes in the future could be material. Programming costs that are predominantly monetized on an individual basis are amortized 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. Licensed content for multi-year sports programming arrangements are generally amortized over the license period based on the ratio of current-period direct revenue to estimated remaining total direct revenue over the remaining contract period. Licensed content costs for entertainment programming are generally amortized over the shorter of the estimated period of benefit or licensed period. Amortization expense of program rights and prepayments is included in "Direct Operating Expense," in the Company's consolidated statement of operations.

All program rights and prepayments on the Company's balance sheet are subject to regular recoverability assessments. The Company has a three-year development cycle which begins with the initial capitalization of the development costs. Film development costs that have not been set for production are expensed within three years unless they are abandoned earlier, in which case these projects are written down to their estimated fair value in the period the decision to abandon the project is determined.

The Company's predominant monetization strategy determines how the impairment testing is performed for program rights and prepayments whenever events or changes in circumstances indicate that the carrying amount of content monetized on its own or as a film group may exceed its estimated fair value. In addition, a change in the predominant monetization strategy is considered a triggering event for impairment testing before a title is accounted for as part of a film group. If the carrying amount of an individual monetized content or film group, exceeds the estimated fair value, an impairment charge will be recorded in the amount of the difference. For content that is predominately monetized individually, we utilize estimates including ultimate revenues and additional costs to be incurred (including exploitation and participation costs), in order to determine whether the carrying amount of the program rights is impaired. In the event the Company decides not to air a program, an impairment loss reducing the corresponding asset to zero is recorded to reflect the programming asset abandonment.

#### *Accounting for Goodwill, Other Intangibles and Long-Lived Assets Indefinite-Lived Intangibles*

Goodwill and other intangible assets with indefinite lives are tested annually for impairment on October 1 or more frequently if circumstances indicate a possible impairment exists.

The Company first assesses the qualitative factors for reporting units that carry goodwill. A reporting unit is defined as an operating segment or one level below an operating segment. In performing a qualitative assessment, the Company considers relevant events and circumstances that could affect the reporting unit fair value. These circumstances may include macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, and entity-specific events, business plans, and strategy. The Company considers the totality of these events, in the context of the reporting unit, and determines if it is more likely than not that the fair value of the reporting unit is less than its carrying amount. If the qualitative assessment results in a conclusion that it is more likely than not that the fair value of a reporting unit exceeds the carrying amount, then no further testing is performed for that reporting unit.

When a qualitative assessment is not used, or if the qualitative assessment is not conclusive and it is necessary to calculate fair value of a reporting unit, then the impairment analysis for goodwill is performed at the reporting unit level. The quantitative impairment test is used to identify potential impairment by comparing the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying value exceeds the fair value, an impairment charge is recognized equal to the difference between the carrying value of the reporting unit and its fair value, considering the related income tax effect of any goodwill deductible for tax purpose.

In performing the quantitative assessment, we measure the fair value of the reporting unit using a combination of the income and market approaches. The assessment requires us to make judgments and involves the use of significant estimates and assumptions. Under the income approach, the Company calculates the present value of the reporting unit's estimated future cash flows (discounted cash flow analysis). Significant estimates and assumptions include the amount and timing of expected future cash flow, risk-adjusted discount rates based on a weighted-average cost of capital ("WACC") adjusted for the relevant risk associated with business-specific characteristics and the uncertainty related to the reporting unit's ability to execute on its projected cash flows. The expected cash flows used in the income approach are based on the Company's most recent forecast and budget and, for years beyond the budget, the Company's estimates, which are based, in part, on forecasted growth rates. Assumptions used in the estimate of future cash flows,

including the WACC, are assessed based on the reporting units' current results and forecasted future performance, as well as macroeconomic and industry specific factors.

Determining fair value using a market approach considers multiples of financial metrics based on both acquisitions and trading multiples of a selected peer group of companies. From the comparable companies, a representative market multiple is determined which is applied to financial metrics to estimate the fair value of a reporting unit.

The Company also has indefinite-lived intangible assets, such as television and radio broadcast licenses and tradenames. The Company's United States television and radio broadcast licenses have indefinite lives because the Company expects to renew them and renewals are routinely granted with little cost, provided that the licensee has complied with the applicable rules and regulations of the Federal Communications Commission ("FCC"). Historically, all material television and radio licenses that have been up for renewal have been renewed. The Company is unable to predict the effect that further technological changes will have on the television and radio industry or the future results of its television and radio broadcast businesses. Indefinite-lived intangible assets are tested for impairment annually or more frequently if circumstances indicate a possible impairment exists.

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. The Company's broadcast license impairment testing, significant unobservable inputs utilized included discount rates and terminal growth rates. 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.

*Univision Network* and *UniMás* network programming is broadcast on the television stations. FCC broadcast licenses associated with the *Univision Network* and *UniMás* stations are tested for impairment at their respective network level. Broadcast licenses for television stations that are not dependent on network programming are tested for impairment at the local market level. Radio broadcast licenses are tested for impairment at the local market level.

The Company has the option to first assess qualitative factors to determine whether it is more likely than not that an indefinite-lived intangible asset is impaired as a basis for determining whether it is necessary to perform the quantitative impairment test. If the qualitative assessment determines that it is more likely than not that the fair value of the intangible asset is more than its carrying amount, then the Company concludes that the intangible asset is not impaired.

If the Company does not choose to perform the qualitative assessment, or if the qualitative assessment determines that it is more likely than not that the fair value of the indefinite-lived intangible asset is less than its carrying amount, then the Company calculates the fair value of the intangible asset and compares it to the corresponding carrying value. If the carrying amount of the indefinite-lived intangible asset exceeds its fair value, an impairment loss is recognized for the excess carrying value over the fair value.

Long-lived assets, such as property and equipment, intangible assets with definite lives, channel-sharing arrangements and program right prepayments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset 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 flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset.

#### *Income taxes*

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The Company classifies all deferred tax assets and liabilities, net as non-current on the consolidated balance sheet. Valuation allowances are established when management determines that it is more likely than not that some portion or the entire deferred tax asset will not be realized. The future realization of deferred tax assets depends on the existence of sufficient taxable income of the appropriate character in either the carry back or carry forward period under the tax law for the deferred tax asset. In a situation where the net operating losses are more likely than not to expire prior to being utilized the Company has established the appropriate valuation allowance. If estimates of future taxable income during the net operating loss carryforward period are reduced the realization of the deferred tax assets may be impacted. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company recognizes interest and penalties, if any, related to uncertain income tax positions in income tax expense. There is considerable judgment involved in assessing whether deferred tax assets will be realized and in determining whether positions taken on the Company's tax returns are more likely than not of being sustained.

### Recent Accounting Pronouncements

For recent accounting pronouncements see "Notes to Consolidated Financial Statements—2. *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 net income (loss), which is the most directly comparable GAAP financial measure:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income (loss) .....	\$ 14,100	\$ 1,800	\$ (37,900)	\$ (1,200)
(Benefit) provision for income taxes .....	(6,900)	8,700	(21,700)	50,000
Income (loss) before income taxes .....	7,200	10,500	(59,600)	48,800
Other expense (income):				
Interest expense .....	180,100	170,300	359,200	331,000
Interest income .....	(6,100)	(7,200)	(10,100)	(9,900)
Amortization of deferred financing costs .....	4,700	3,600	9,300	7,300
Loss on refinancing of debt .....	6,200	—	4,500	—
Other, net <sup>(a)</sup> .....	(11,400)	16,700	11,700	3,200
Operating income .....	180,700	193,900	315,000	380,400
Depreciation and amortization .....	134,700	148,400	288,500	284,200
Impairment loss <sup>(b)</sup> .....	9,400	200	10,400	400
Restructuring, severance and related charges .....	5,000	14,100	11,600	18,400
(Gain) loss on disposition <sup>(c)</sup> .....	5,900	(200)	4,700	600
Share-based compensation .....	20,700	16,000	41,700	43,500
Purchase price adjustment <sup>(d)</sup> .....	1,300	1,400	2,700	6,400
Other adjustments to operating income <sup>(e)</sup> .....	4,300	100	15,900	1,000
Adjusted OIBDA .....	<u>\$ 362,000</u>	<u>\$ 373,900</u>	<u>\$ 690,500</u>	<u>\$ 734,900</u>

- (a) Other, net is primarily comprised of income or expense arising from the non-cash fair value adjustments on the Company's investments, foreign exchange (gain)/loss and other costs.
- (b) Impairment loss in 2024 and 2023 is related to program rights.
- (c) Loss on dispositions in 2024 relates to the retirement of fixed asset, partially offset by a gain related to lease modification. (Gain) loss on dispositions in 2023 primarily relates to the retirement of fixed assets.
- (d) Purchase price adjustment relates to programming amortization resulting from the fair value step-up of the program rights acquired as part of the TelevisaUnivision Transaction.
- (e) Other adjustments to operating income in 2024 and 2023 are primarily comprised of unusual and infrequent items as contract termination costs.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Adjusted OIBDA .....	\$ 362,000	\$ 373,900	\$ 690,500	\$ 734,900
Less expenses included in Adjusted OIBDA but excluded from Bank Credit Adjusted OIBDA <sup>(a)</sup> .....	8,200	4,600	13,100	9,000
Bank Credit Adjusted OIBDA .....	<u>\$ 370,200</u>	<u>\$ 378,500</u>	<u>\$ 703,600</u>	<u>\$ 743,900</u>

- (a) Under the Company's credit agreements governing the Company's Senior Secured Credit Facilities and the New Term Loan Facility 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, in each case under such credit facilities and indentures, and certain other expenses. The amounts for certain entities that are not treated as subsidiaries under the Company's Senior Secured Credit Facilities, New Term Loan Facility and indentures governing the Company's senior notes above represent the residual elimination after the other permitted exclusions from Bank Credit Adjusted OIBDA. In addition, certain contractual adjustments under the Company's Senior Secured Credit Facilities, New Term Loan Facility and indentures are permitted to operating income under the Company's Senior Secured Credit Facilities, New Term Loan Facility 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 Senior Secured 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,” “optimistic” 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: risks and uncertainties related to, and disruptions to the Company’s business and operations caused by, cancellations, reductions or postponements of advertising or other changes in advertising practices among the Company’s advertisers; any impact of adverse economic or political conditions on the Company’s industry, business and financial condition, including reduced advertising revenue, increases in inflation, decreases in discretionary consumer spending and increases in interest rates; 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; competitive pressures from other broadcasters and other entertainment and news media; damage to the Company’s brands, particularly the Univision brand, or any brand resulting from the TelevisaUnivision Transaction 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 failure of the Company’s businesses to produce projected revenues or cash flows; failure of the Company’s video on demand services as part of its strategy to provide streaming channels and on-demand Spanish-language programming to Hispanic audiences throughout the world; 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; 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, or other infringement or violation of the Company’s intellectual property rights, or the Company’s potential infringement or violation of the intellectual property rights of others; 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 and any changes in interest rates; failure to service the Company’s debt, inability to comply with the agreements contained in the Company’s Senior Secured Credit Facilities and indentures, including any financial covenants and ratios, or inability to refinance indebtedness on favorable terms of at all; the Company’s dependency on lenders to execute its business strategy and its inability to secure financing on suitable terms or at all; volatility and weakness in the capital markets; impacts of the TelevisaUnivision Transaction and the combination of the companies’ content businesses and financing related to such transaction, and the impact of any changes in strategies following the consummation of the TelevisaUnivision Transaction; risks related to global health crises, pandemics or epidemics; 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.