



## Investor Presentation

October 2020



STRICTLY PRIVATE AND CONFIDENTIAL



Capital  
Markets

# Disclaimer

These materials (this "Presentation") are presented for discussion and informational purposes only for use by interested parties in connection with a limited review of Spanish Broadcasting System, Inc. (the "Company"). This Presentation does not purport to be all-inclusive or to contain all of the information that interested parties may desire in reviewing the Company.

Under no circumstances may a copy, in any format, be shown, reproduced, transmitted, or otherwise provided to any person other than the authorized recipients. By accepting this Presentation, the recipient acknowledges that the Company considers this Presentation and all information contained herein to include confidential, sensitive and proprietary information and such recipient agrees that it shall cause this Presentation and all information contained herein to remain confidential.

This Presentation constitutes the views of the Company at the time they were generated. Any past performance information presented herein is not a guarantee or indication of future results and should not be relied upon for such reason. This Presentation forward-looking statements including, without limitation, financial outlook, business strategy, potential growth opportunities and competitive position, which constitute the views of the Company with respect to future events which can be identified by the use of forward-looking terminology such as "anticipate," "believe," "budget," "control," "estimate," "intend," "project," "should," or "target." The statements are not facts and are made based upon such expectations, assumptions and views as they exist as of the date of this Presentation. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks, contingencies and changes in circumstances that are difficult to predict, many of which are beyond the Company's control. The Company's actual results may differ materially from those contemplated by the forward-looking statements. There is no assurance that such views are correct or will prove, with the passage of time, to be correct. Caution should be taken with respect to such statements and recipients should not place undue reliance on any such statements. The Company undertakes no obligation to publicly update any forward-looking statement whether as a result of new information, future developments or otherwise, except as may be required by law.

The trademarks and logos displayed herein are shown for informational purposes only. Such trademarks and logos are the property of their respective owners.

The information contained herein is as of the date hereof and may change at any time without notice, and there is no duty to update the person or firm to whom this information is provided. The Company expressly disclaims liability for errors or omissions in the information presented herein or any other written or oral communications transmitted to the recipient in the course of its evaluation of the Company and for any loss or damage arising out of the use or misuse or reliance on the information provided including without limitation, any direct or consequential damages, any indirect, special, exemplary, incidental, punitive or consequential damages (including, without limitation, any loss of profits, business or anticipated savings).

Neither the Company nor any of its affiliates, directors, officers, partners, employees, agents, representatives or advisors make any representations or warranties (express, statutory or implied) as to the accuracy, completeness, reliability or reasonableness of any information, statements and estimates presented herein. Only those particular representations and warranties which may be made by the Company in a definitive agreement, when and if one is executed, and subject to such limitations and restrictions as may be specified therein, shall have any legal effect. This Presentation was not prepared with a view to public disclosure or compliance with published guidelines of the U.S. Securities and Exchange Commission, the securities regulatory authority of any state, foreign or other jurisdiction, the guidelines established by the American Institute of Certified Public Accountants or U.S. generally accepted accounting principles.

This presentation includes certain non-GAAP measures, including Reported Adjusted OIBDA, Adjusted OIBDA Margin and Free Cash Flow, which are not presented in accordance with GAAP or substitutes for GAAP measures. The Company considers Reported Adjusted OIBDA, Adjusted OIBDA Margin and Free Cash Flow as important supplemental measures of its performance and ability to service debt. Reported adjusted OIBDA, Adjusted OIBDA Margin and Free Cash Flow are often used to assess the Company's performance because they allow comparison of operating performance on a consistent basis across periods by removing the effects of various items. Reported adjusted OIBDA, Adjusted OIBDA Margin and Free Cash Flow have various limitations as analytical tools, and should not be considered in isolation, or as a substitute for analysis of the Company's results as reported under GAAP. Further, because not all companies use identical calculations, the presentation herein of non-GAAP measures may not be comparable to other similarly titled measures reported by other companies. Reconciliations of certain non-GAAP measures to the comparable GAAP measures are included herein.

In this Presentation, the Company relies on and refers to certain information and statistics from third-party sources which they believe to be reliable. The Company has not independently verified the accuracy or completeness of any such third-party information.

This Presentation does not constitute an offer to sell or the solicitation of an offer to purchase any securities or assets in any jurisdiction to any person, and shall not form the basis of any contract. The provision of this Presentation is not and should not be considered as investment or financial product advice or a recommendation in relation to an investment in the Company or any of its respective assets or businesses, or that an investment therein is a suitable investment for the recipient. No legal relationship shall be created between the Company or any of its affiliates, directors, officers, partners, employees, agents, representatives or advisors, on the one hand, and the recipient or any of its representatives, on the other hand, by virtue of this Presentation.

**The financial information for Spanish Broadcasting System, Inc. presented herein for the year ended December 31, 2019 has been audited or reviewed by an independent registered public accounting firm. The financial information for the six months ended June 30, 2020 and 2019 have not been reviewed by an independent registered public accounting firm. The information is based upon management estimates, and as a result, our actual results may vary materially from the financial information presented herein.**

## Company Presenters



**Raúl Alarcón, Jr.**  
*President, CEO, Chairman*

- Joined SBS in 1983 and became CEO in 1994
- Oversees the long-range strategic planning and operational matters of all stations
- Mr. Alarcón, Jr. built SBS with his father Pablo Raúl Alarcón, Sr.



**José I. Molina**  
*Chief Financial Officer*

- Re-joined SBS as CFO in 2019, previously served as SVP of Finance from 2001-2015
- Oversees all financial affairs, operational and investor relations matters
- Previously held executive roles at Univision and MundoMax
- Began career at KPMG



**Albert Rodriguez**  
*Chief Operating Officer*

- Joined SBS in 1999 and was appointed COO in 2012
- Oversees day-to-day operations and revenue / profit performance for all radio, TV and entertainment divisions
- Previously served as CRO of SBS' TV business and held various General Manager and General Sales Manager roles in the Miami market



**Richard D. Lara**  
*EVP and General Counsel*

- Joined SBS in 2016 as EVP and General Counsel
- Previously counseled domestic and international corporate clients regarding business disputes
- Oversees all legal matters, including developing and implementing the Company's legal strategy, as well as regulatory compliance, risk management, and corporate governance



**Jesus Salas**  
*EVP – Head of Programming*

- Re-joined SBS as EVP in 2010, previously was a supervisor programming for 6 years
- Prior roles at Sherjan Broadcasting WJAN, SiriusXM Radio and Univision Radio

Average of Over 25 Years of Industry Experience

- Transaction Overview
- Company Overview and Business Update
- Key Credit Highlights
- Historical Financial Summary
- Appendix

# Transaction Overview

## SECTION I



Capital  
Markets



# Transaction Overview

- **Spanish Broadcasting System, Inc. (“SBS” or the “Company”) is a leading Hispanic-owned media and entertainment company founded by Raul Alarcon Sr. in 1983, which has been serving the fast growing and increasingly important U.S. Hispanic market for 37 years**
- **SBS is the dominant Spanish-language audio media operator and owns a portfolio of valuable franchises across broadcast radio and television, digital, and entertainment platforms**
  - Strong foothold in 6 of the top 8 Hispanic markets, where U.S. Hispanics represent over 33% of the market population
  - 17 radio stations including WSKQ in New York, the #1 Spanish-language station, and 3 of the top 6 in the country
  - Reaches 95% of U.S. Hispanics through AIRE, the largest minority audio network
  - Operates the #1 Hispanic radio app and site, LaMusica
  - In 2019, the Company generated revenue and Adjusted OIBDA of \$157 million and \$55 million<sup>(1)</sup>, respectively
    - For the twelve months ended in 6/30/20, SBS generated revenue and Adjusted OIBDA of \$134 million and \$44 million<sup>(1)</sup>, respectively
- **Despite the impact of COVID-19, SBS continues to exhibit strong performance across its businesses**
  - Continued and strong growth in audience reach and ratings
  - Pent up advertiser demand for U.S. Hispanic markets with reinvigorated sales as lockdown eases into September 2020
  - Additionally, the Company has executed several initiatives to enhance its cash flow profile and path to long-term growth
- **SBS is evaluating various financing alternatives in an effort to optimize its capital structure**
- **The Company will be seeking to raise the following facilities:**
  - \$TBA 5-year Revolving Credit Facility (the “Revolver”)
  - \$300 million 5-year Senior Secured Notes (the “Secured Notes”)
- **The proceeds from the Secured Notes, along with cash on hand, are intended to be used to (i) repay all of the outstanding Senior Secured Notes and (ii) repurchase outstanding Series B preferred stock**
  - Negotiations with preferred stockholders remains ongoing

# Pro Forma Capitalization

Pro Forma Capitalization			
(\$ in millions)			
	Pro Forma 6/30/20	x03/31/20 OIBDA	x6/30/20 OIBDA
New Revolver <sup>(1)</sup>	-		
Senior Secured Notes	300		
<b>Total Secured Debt</b>	<b>\$300</b>	<b>5.50x</b>	<b>6.84x</b>
<b>Adj. OIBDA (Excluding Non-Recurring Items) <sup>(2)</sup></b>		<b>\$54</b>	<b>\$44</b>

# Company Overview and Business Update

## SECTION II



Capital  
Markets



## Spanish Broadcasting System's Highlights



**37-Year History of Achievements**



**Competitive Dominance**



**Second-to-None Management Team**



**Organic Growth**



**Irreplaceable Heritage Assets In Major Markets**



**Centrifugal Business Model: The Future**



**Industry-Leading Operating Performance**



**The Hispanic “Mirror Effect” Advantage**



**Diversification: Mediatic / Geographic  
/ Formatic / Economic**



**Conquering COVID**

# Spanish Broadcasting System Today

Founded in 1983, Spanish Broadcasting System is the leading Spanish-language cross-platform audio media operator with well-recognized brands that target U.S. Hispanics

## Key Operational Highlights and Assets

### Audio Segment

### TV Segment



**Audio  
Broadcast**



**SBS Interactive  
LaMusica**

**SBS  
ENTERTAINMENT**

**mega tv**

#### Distribution

**17** owned stations  
in **6** U.S. markets

**300+** station affiliates  
in **88** markets  
**15mm** weekly listeners

LaMusica, Mega.tv, HitzMaker  
and 35 local websites  
**+1.6mm downloads**  
on LaMusica app

**+40** concerts, events,  
and live activations annually

**5 owned stations**  
in Florida and Puerto Rico  
Select MVPDs nationwide<sup>(2)</sup>

#### Reach

**33%** of U.S. Hispanic  
Population

**95%** U.S. Hispanic DMAs

**~640k MAU<sup>(3)</sup>**

**+130k** attendees

**21mm** Hispanic households  
in the U.S.

#### Overview

- Operates in **6 of top 8** Hispanic markets
- Owens **3 of top 6** Spanish-language stations, including **#1 station WSKQ<sup>(1)</sup>**

- Largest minority audio network
- Operates in **50 of top 50** markets
- Affiliated with **88 highly ranked** stations

- LaMusica is the **#1 ranked Hispanic radio app** and **streaming site**
- Provides bilingual content on Latin music, entertainment, culture, lifestyle and news

- Premier producer of unique entertainment, concerts and special events
- Includes **sold out events** Miami Bash, Mega Bash, CaliBash, Cubatonazo and Mega Mezcla

- +110 hours** of original programming per week
- Launched new affiliates in Orlando, West Palm Beach and Alaska in 2020

## Key Financial Highlights (2019)

**\$157mm**  
**Total Revenue**  
8% 2017-2019 CAGR

**\$55mm Total**  
**Adj. OIBDA<sup>(4)</sup>**  
35% Margin  
17% 2017-2019 CAGR

**90% Radio**  
**Revenue**

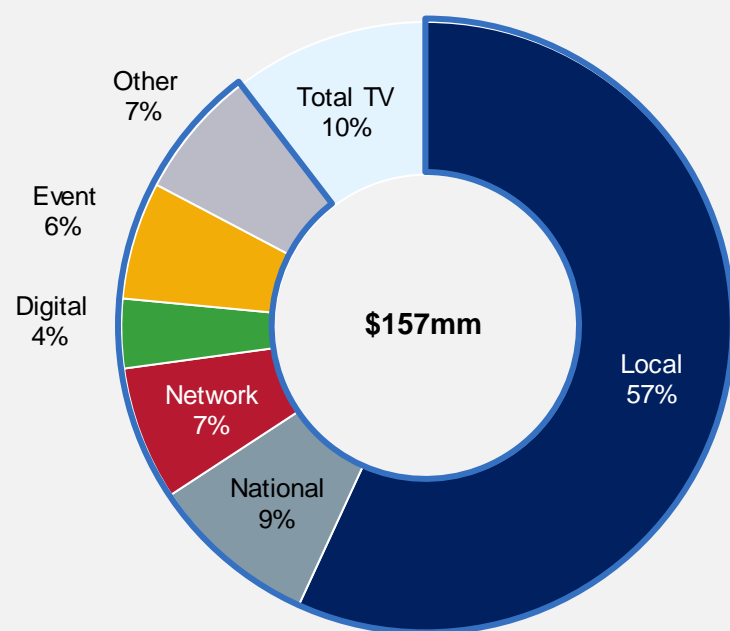
**\$140mm**  
**Radio Revenue**  
8% 2017-2019 CAGR

**43%**  
**Radio Reported**  
**Adj. OIBDA**  
**Margin**  
~630 bps 2017-2019  
Margin Expansion

**Best**  
Radio  
**Operator**  
Margins<sup>(5)</sup>

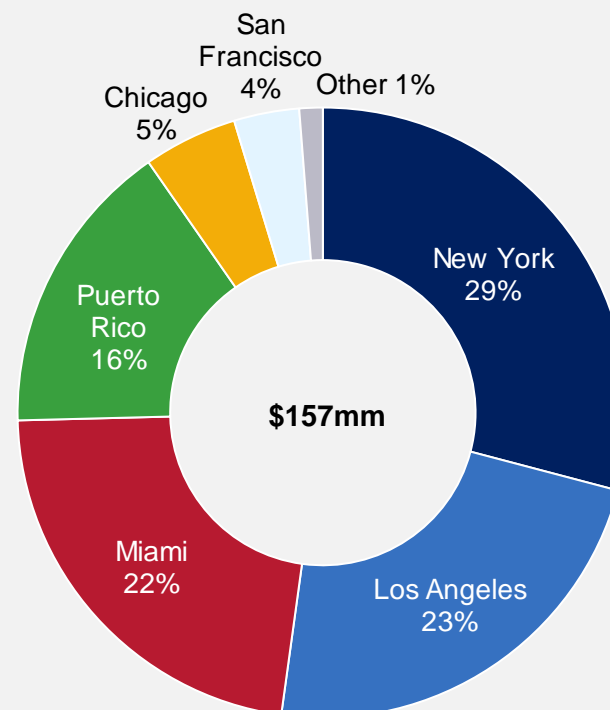
## Financial Snapshot – FYE 12/31/19

Net Revenue by Segment



**Total Radio  
Revenue: ~90%**

Net Revenue by Market



# Leading Spanish Language Audio Broadcast Operator

## Leading Radio Stations in the Top Hispanic Markets

**17**  
radio stations

**#1 or #2**  
station in all  
markets

**33%**  
U.S. Hispanic  
reach

Hyper-local,  
targeted  
programming

Strong  
brand  
loyalty

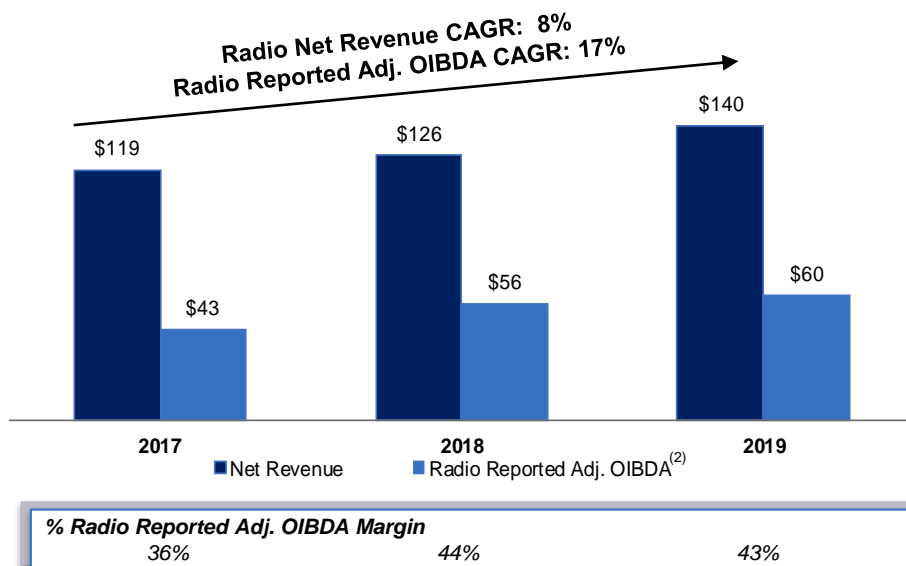
Strong  
profitability

**6 of 8**  
largest U.S.  
Hispanic markets

**3 of top 6**  
Spanish language stations

## Strong Growth and Industry Leading Radio Margin

(\$ in millions)



## Key Performance Metrics by Market

Market Revenue <sup>(3)</sup>	% of Market That is Hispanic	% of Total U.S. Hispanic Pop <sup>(4)</sup>	Key Stations / Rankings <sup>(1)</sup>	Total SBS Radio Stations
Los Angeles (\$711mm)	49%	10%	#1 <b>mega 96.3</b> #2 <b>97.9 PBA</b>	2
New York (\$548mm)	29%	8%	#1 <b>mega 97.9</b> #2 <b>93.1 AMOR</b>	2
Chicago (\$463mm)	29%	3%	#1 <b>97.9</b>	1
San Francisco (\$240mm)	15%	3%	#2 <b>93.3 PBA</b>	1
Miami (\$234mm)	72%	4%	#1 <b>92.3</b> #2 <b>106.7 FM</b> #3 <b>RITMO 95.7</b>	3
Puerto Rico (\$70mm)	98%	5%	#1 <b>94</b> #2 <b>mega 106.9 fm</b> #8 <b>93</b>	8
<b>Total</b>		<b>33%</b>		<b>17</b>

Source: Company materials.

Note: Financials are on as-reported basis and are not pro forma for acquisitions or divestitures in the historical period.

12 (1) Station ratings per Nielsen Audio PPM Metro, August 2020, Average Quarter-Hour Share, Monday–Sunday 6AM-Midnight. Adults 18-34 (New York, Los Angeles, Miami), Adults 18-49 (Puerto Rico), Q2 2020, Average Quarter-Hour Share, Monday–Sunday 6AM-Midnight. Adults 18-34(Chicago), Q2 2020, Average Quarter-Hour Share, Monday–Sunday 6AM-Midnight. Adults 18-34 (San Francisco).

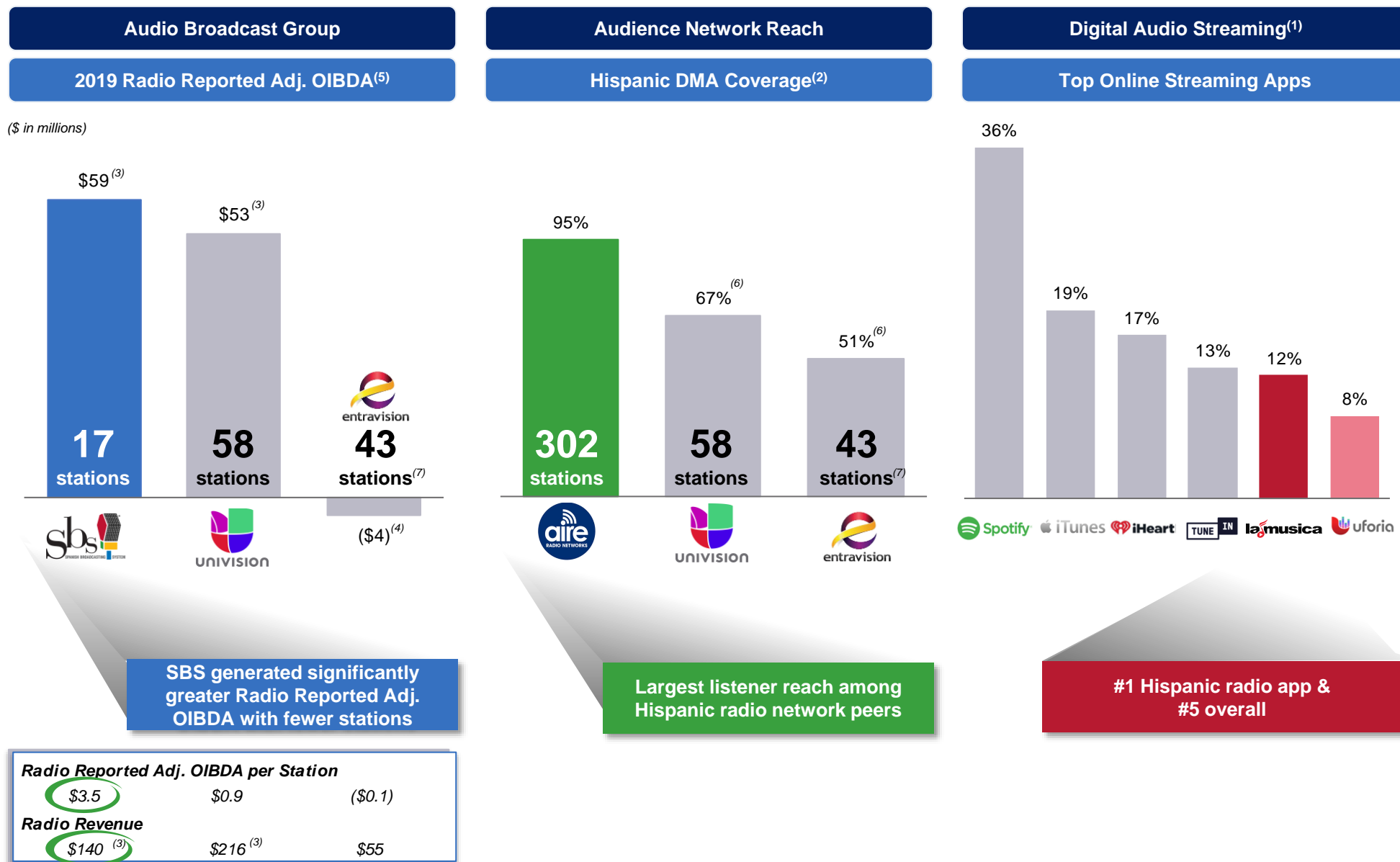
(2) Radio Reported Adj. OIBDA or Broadcast Cash Flow excludes corporate expense.

(3) From Investing in Radio 2020, second quarter addition, Market Report by BIA advisory services.

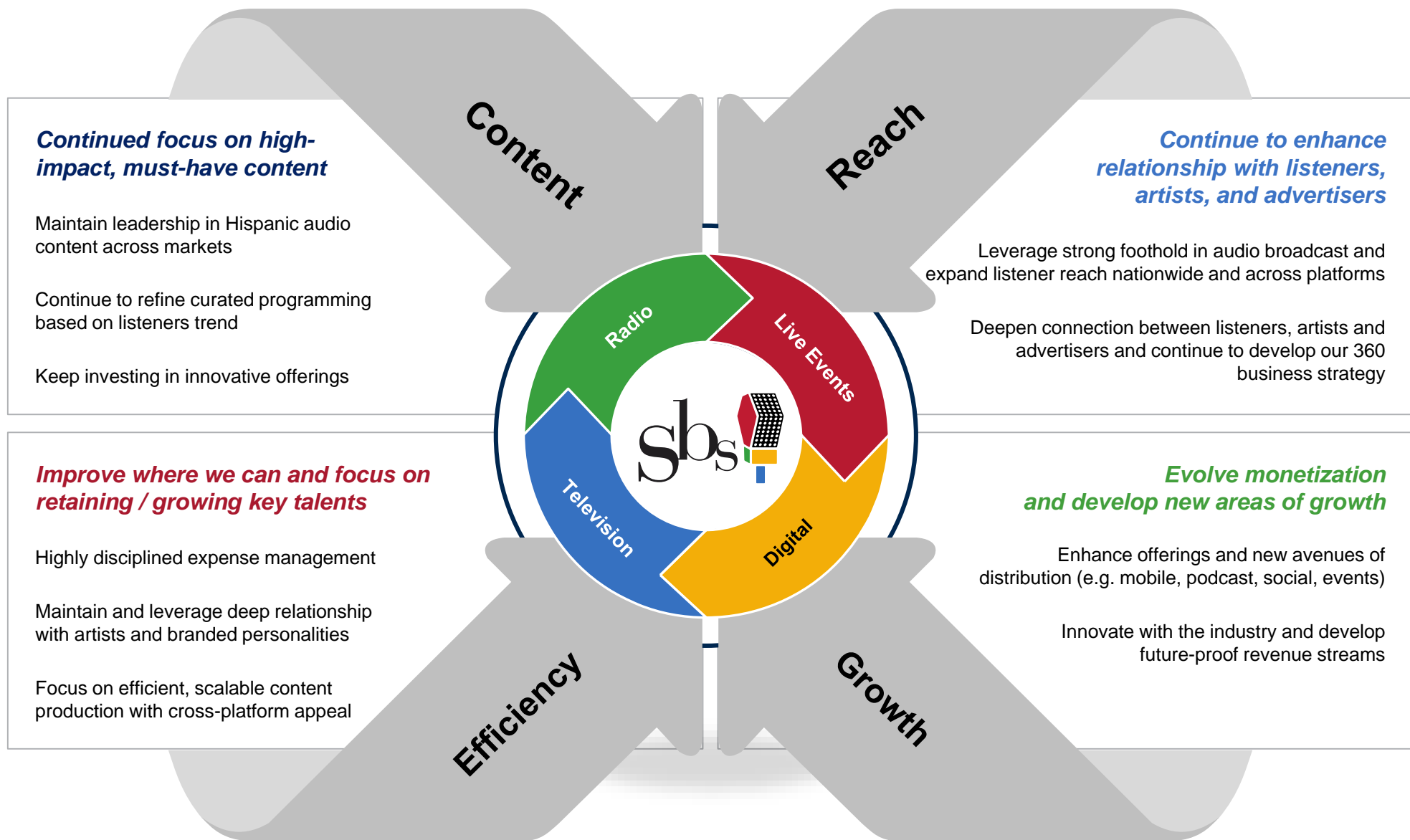
(4) Hispanic population per Company's 2019 10-K sourced from BIA Kelsey's Investing in Radio Market Report 2020, 2<sup>nd</sup> edition.



# Dominant Audio Media Company for U.S. Hispanics Across Platforms



## Proven Operating Strategy & Business Model





## Key Credit Highlights

SECTION III



Capital  
Markets

## Key Credit Highlights

**1 Dominant Audio Media Operator Targeting an Underserved Demographic**

**2 Attractive Industry and Hispanic Market Dynamics**

**3 Strong Portfolio of Market Leading Radio Stations**

**4 Proven Track Record of Resilient Financial Performance**

**5 Multiple Avenues To Drive Future Growth**

**6 Strong Free Cash Flow Profile**

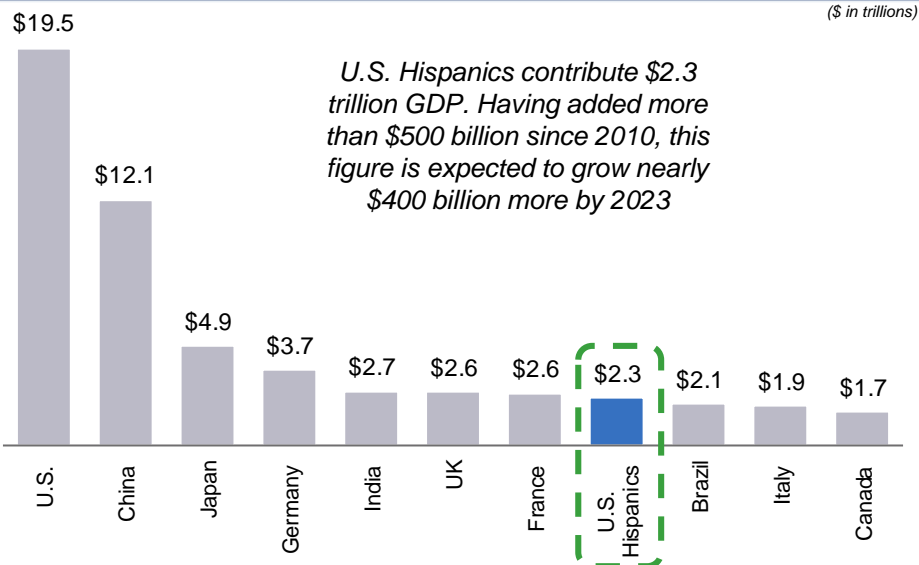
**7 Seasoned Management Team Across Business with Hispanic Connection**

# 1 Dominant Audio Media Operator Targeting an Underserved Demographic

The U.S. Hispanics market is fast growing and becoming increasingly important to the U.S. economy, demographic and culture

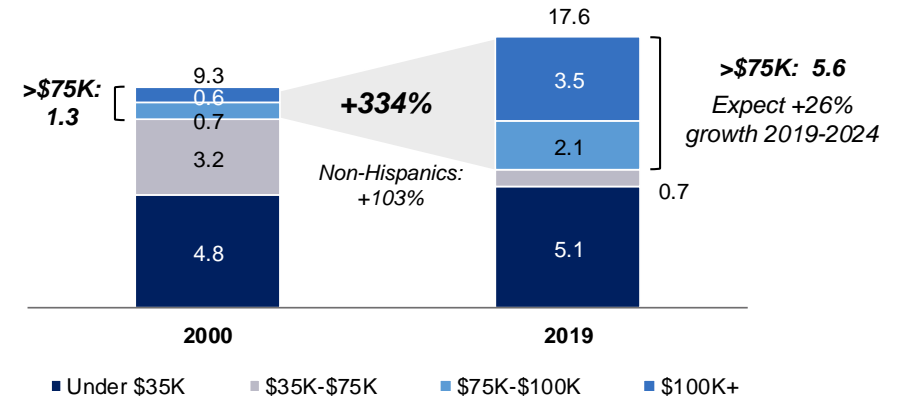
- U.S. Hispanics represent the largest minority group and the 2<sup>nd</sup> largest Latino population in the world
- Hispanic population has grown ~7x the non-Hispanic population 2000-2020 and is projected to grow to 111 million by 2060, representing 28% of the U.S.
- Spanish is the 2<sup>nd</sup> most spoken language in the U.S. and the 2<sup>nd</sup> most natively spoken language in the world
- Hispanic economic importance is evident by its spending power, which is currently the 8<sup>th</sup> largest and 3<sup>rd</sup> fastest growing in the world
  - Since 2000, Hispanic households with >\$75K household income have grown ~4x
  - Expect to outpace overall population longer term, as the youngest ethnic group in the U.S. (median 28)

## U.S. Hispanics Equivalent to 8<sup>th</sup> Largest GDP Nation<sup>(1)</sup>...

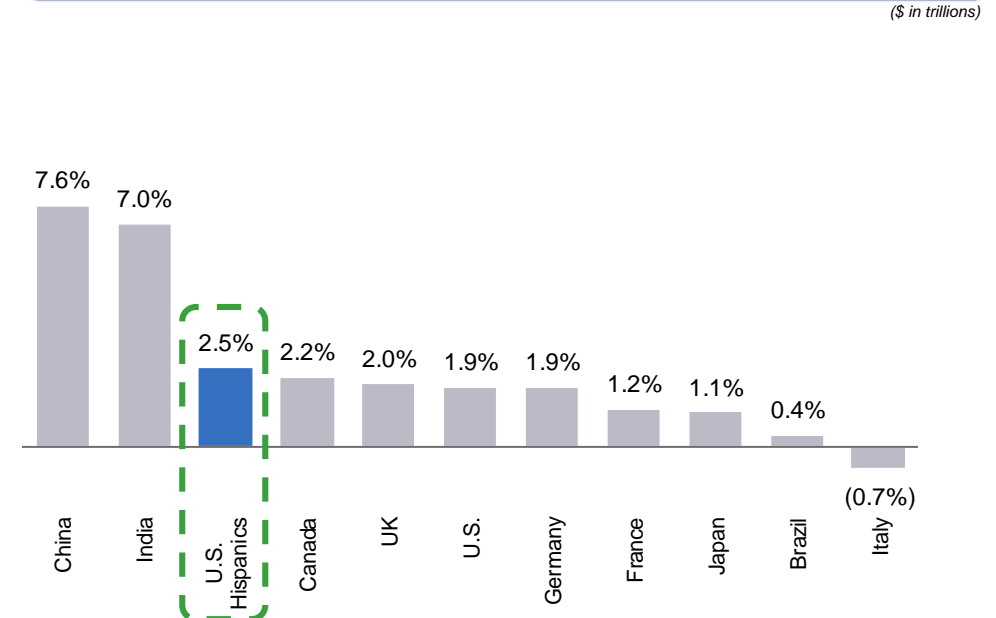


## U.S. Hispanic Outpaces Non-Hispanic in Household Income Growth

Number of Hispanic Households by Income Bracket (mm)



## ... And to 3<sup>rd</sup> fastest Growing GDP<sup>(1)</sup>

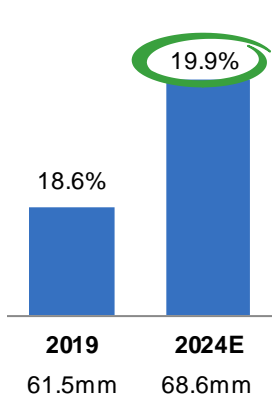


Hispanic Media is Gaining Importance Amongst Major Advertisers and is Expected to Over-index Overall Advertising Trend

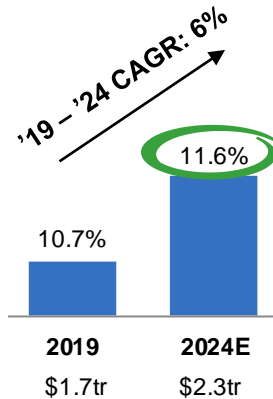
## Advertising Market Under-Indexes Hispanic Economic Impact...

% represents Hispanic share of total

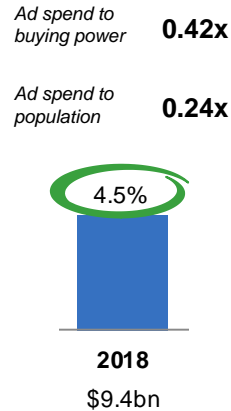
## Population



## Buying Power



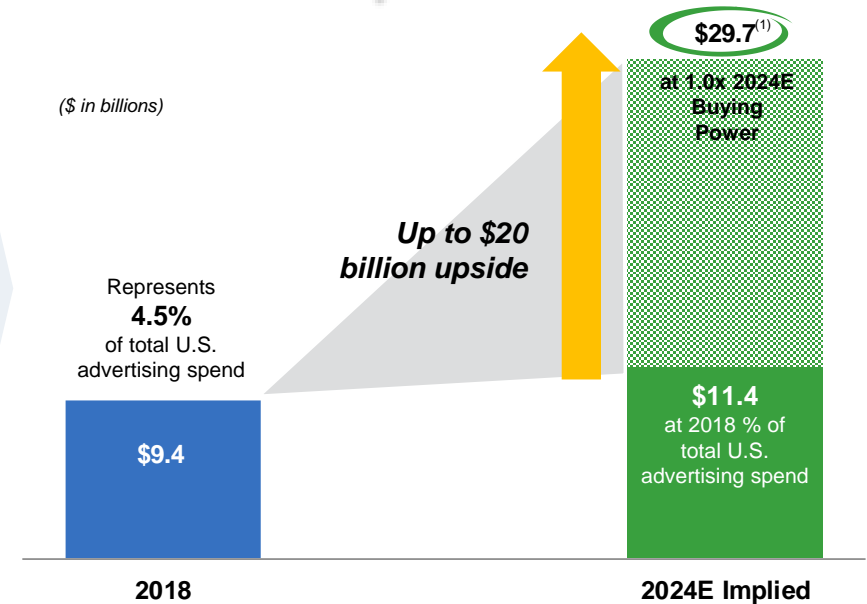
## Advertising Spend



## ... And Further Trails Hispanic Economic Impact in SBS Markets

Hispanic Market	% of Market that is Hispanic	% SBS Total Market Share <sup>(2)</sup>	Hispanic Buying Power CAGR <sup>(3)</sup>
Los Angeles	49%	7%	6%
New York	29%	9%	6%
Chicago	29%	2%	5%
San Francisco	15%	3%	6%
Miami	72%	12%	8%
Puerto Rico	98%	NA	NA
<b>Total</b>	<b>36%</b>	<b>7%</b>	<b>6%</b>

## Significant Hispanic Advertising Upside



SBS is Well-Positioned to Capture Upside

Source: Ad Age Report 2019 and 2020, Nielsen, Zenith, The Multicultural Economy Report 2018 and 2019.

(1) Based on \$256 billion U.S. ad spend in 2024E per SNL Kagan (up from \$211 billion in 2018) and 1.0x buying power in 2024E of 11.6% (total Hispanic buying power as a % of total U.S. buying power).

(2) Per Miller Kaplan SBS revenue share YTD as of August 2020.

(3) Represents Hispanic buying power CAGR (2000-2019) by state per Selig Center for Economic Growth research.

## 2 Attractive Industry and Hispanic Market Dynamics

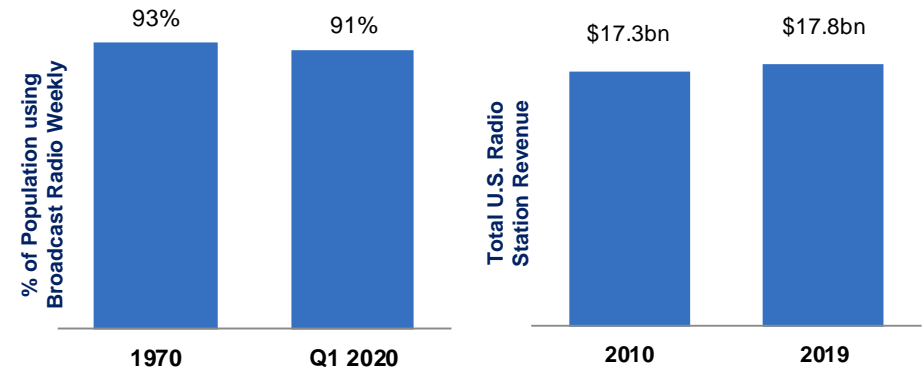
### Key Highlights

- Radio remains the #1 medium and choice of audio consumption in the U.S.
  - Reaches 272 million Americans ages 6+ weekly
- Among Hispanics, radio is a trusted conduit of culturally relevant information and centerpiece of Hispanic consumer reach
  - Reaches 43 million or 95% Hispanics weekly, above all other medium
  - Hispanics listen to the radio +12 hours per week, 33 minutes more than the overall market
  - 51% more likely to listen to the radio via mobile, 41% more likely to listen to internet radio than the general population
- Music is an important centerpiece in Hispanic consumer reach for advertisers
  - Hispanic adults have the highest share of time spent on audio/video at 69%, vs. total U.S. at 54%
- While listening out-of-home tapered off during the onset of COVID-19, listenership remained robust among Hispanics

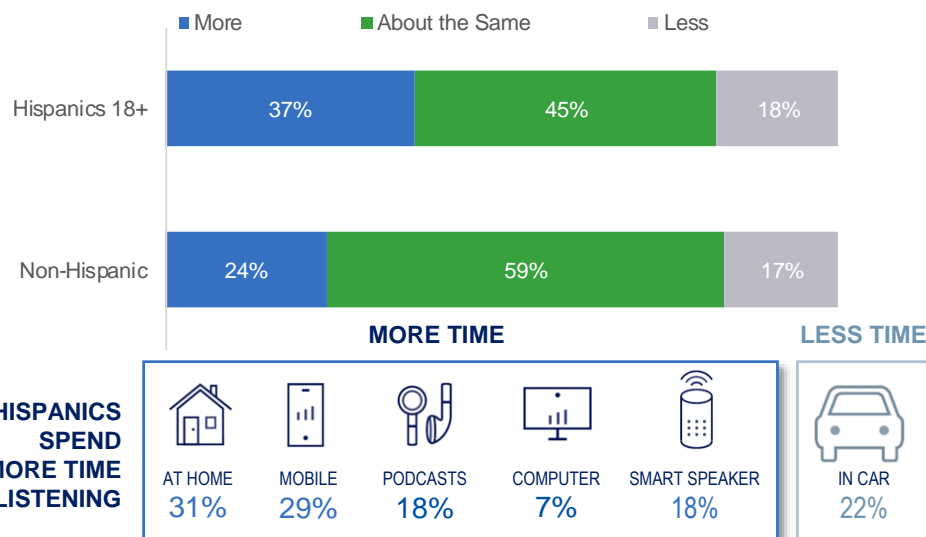
### Broadcast Radio is Resilient with Consumers and Advertisers

Large and Stable Consumer Platform with Consistent 90%+ Reach Over Last ~50 Year

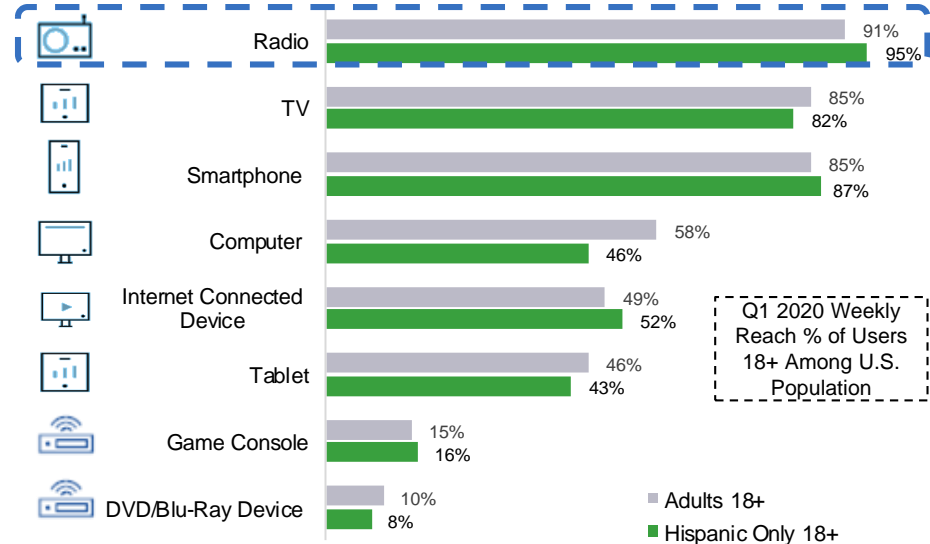
Resilience of Broadcast Radio Reflects its Attractiveness as a Platform



### More Than 1/3 of Hispanics Report More Time with Radio Due to COVID-19



### Weekly U.S. Reach<sup>(1)</sup>

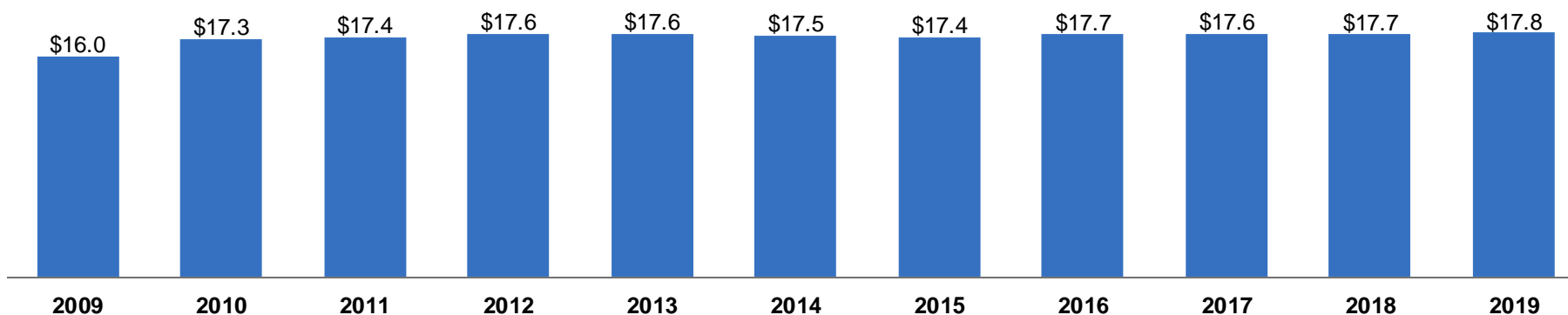


## 2 Attractive Industry and Hispanic Market Dynamics (cont.)

### Radio Broadcast Revenue Has Remained Stable

Radio Spend (\$bn) (2009-2019)

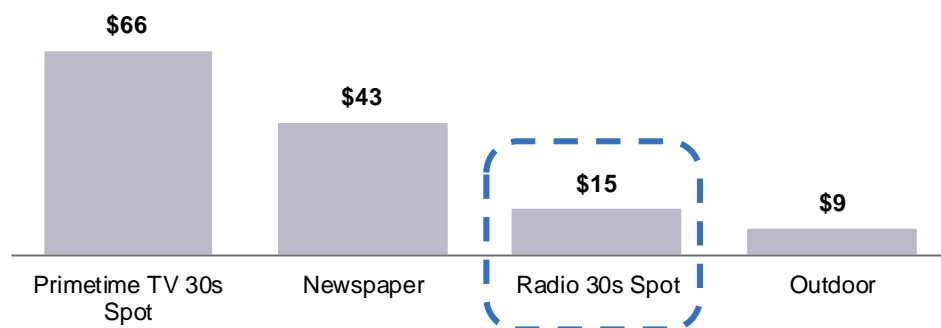
'09-'19 CAGR: 1.0%



### Radio Delivers Results at an Attractive Price

- Radio is still one of the most cost-effective and efficient ways for local advertisers to reach the masses and local communities

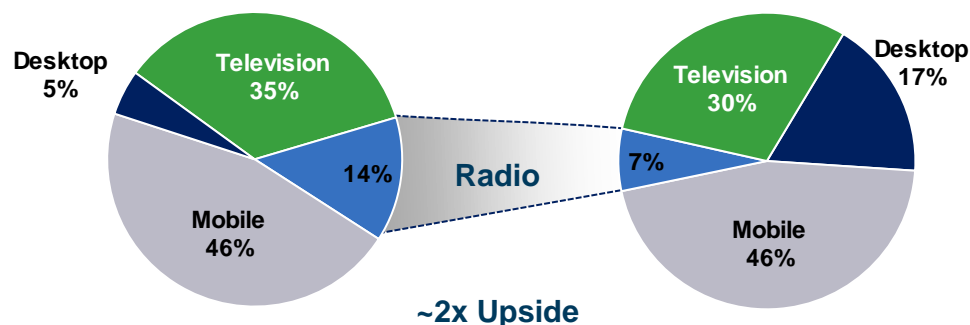
#### Average CPM by Ad Medium<sup>(1)</sup>



### Broadcast Radio Revenue Under-Indexes Consumer Usage

#### Share of Time Spent<sup>(2)</sup>

#### Share of Time Revenue<sup>(3)</sup>





### 3 Strong Portfolio of Market Leading Radio Stations

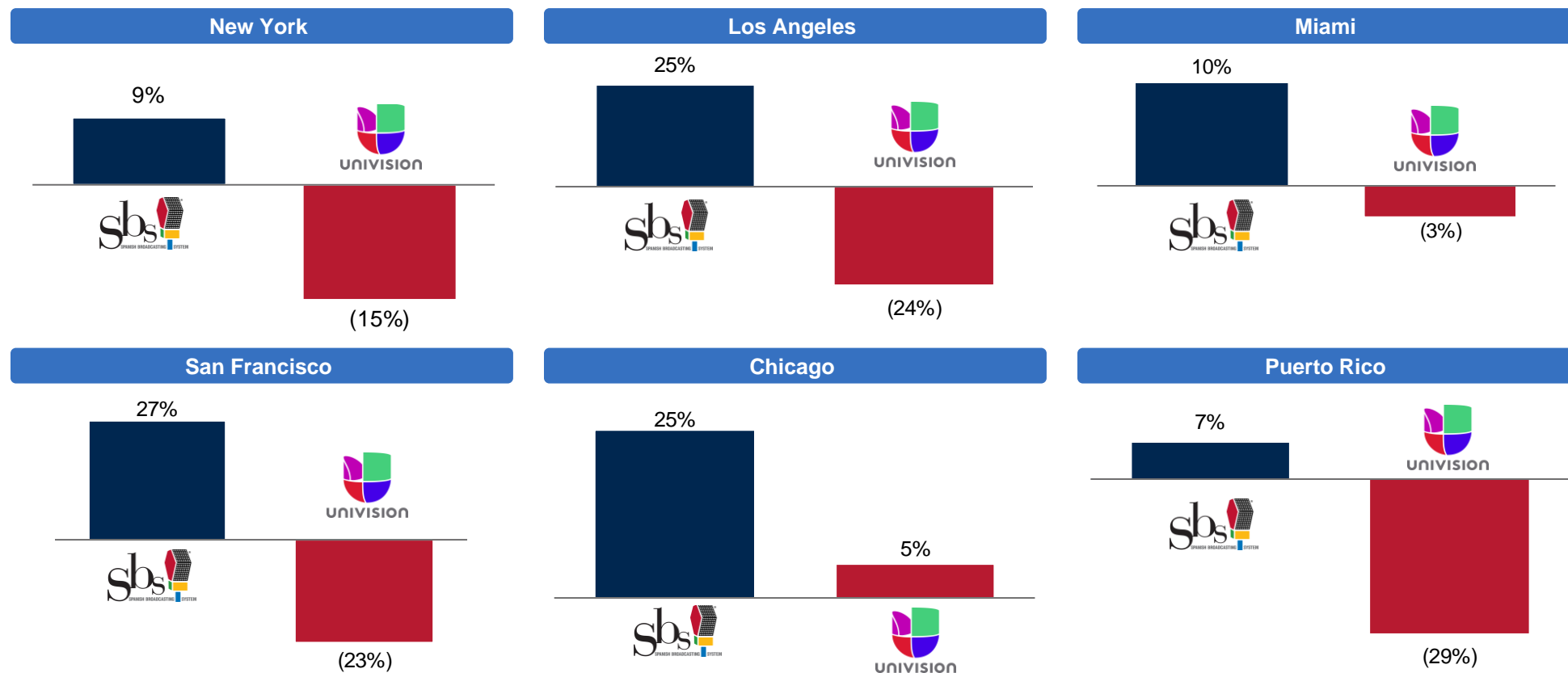
Outperforms Hispanic media competitors in all markets and demographics

#### SBS Surpasses Univision in Listener Growth

Ratings by Age Group<sup>(1)</sup>



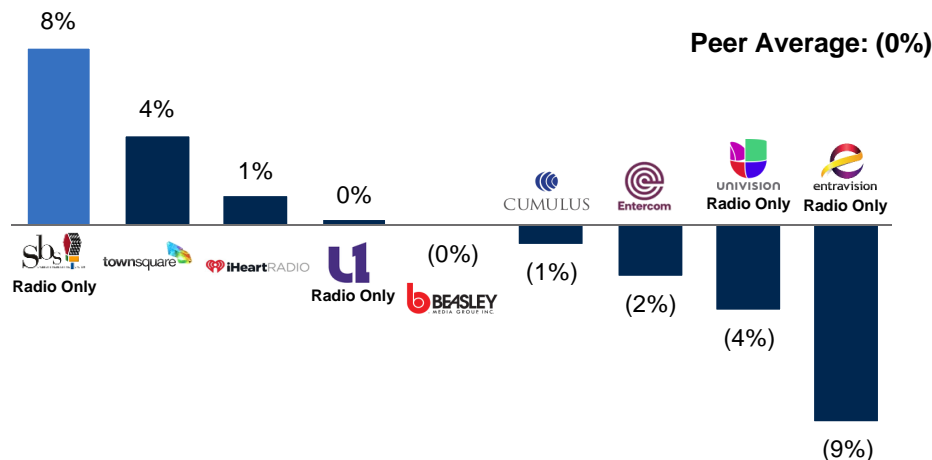
#### Ratings Growth by Market<sup>(2)</sup>



### 3 Strong Portfolio of Market Leading Radio Stations (cont.)

Outperforms all Spanish and English language radio groups

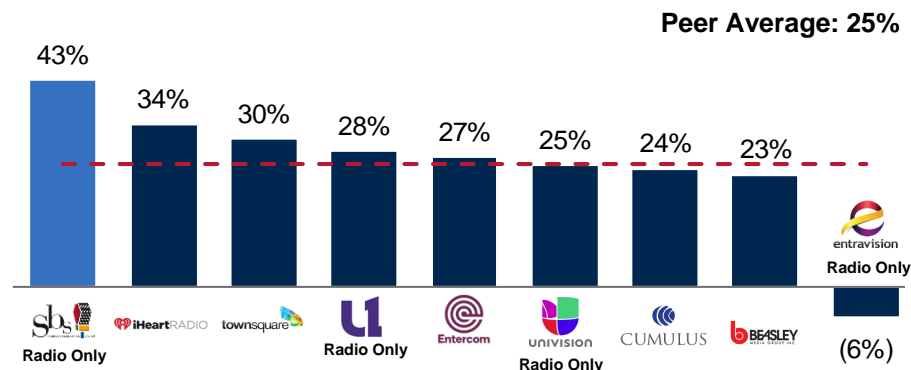
#### 2017 – 2019 Radio Revenue CAGR



#### 2019 Revenue

\$140 <sup>(4)</sup>	\$431 <sup>(6)</sup>	\$3,684 <sup>(6)</sup>	\$177	\$262 <sup>(6)</sup>	\$1,113	\$1,528 <sup>(6)</sup>	\$244 <sup>(4)</sup>	\$55
----------------------	----------------------	------------------------	-------	----------------------	---------	------------------------	----------------------	------

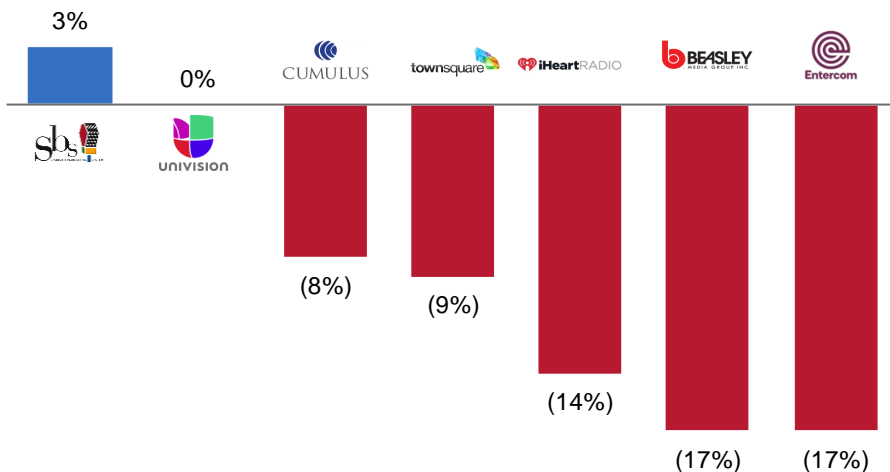
#### 2019 Radio Reported Adjusted OIBDA Margin<sup>(2)</sup>



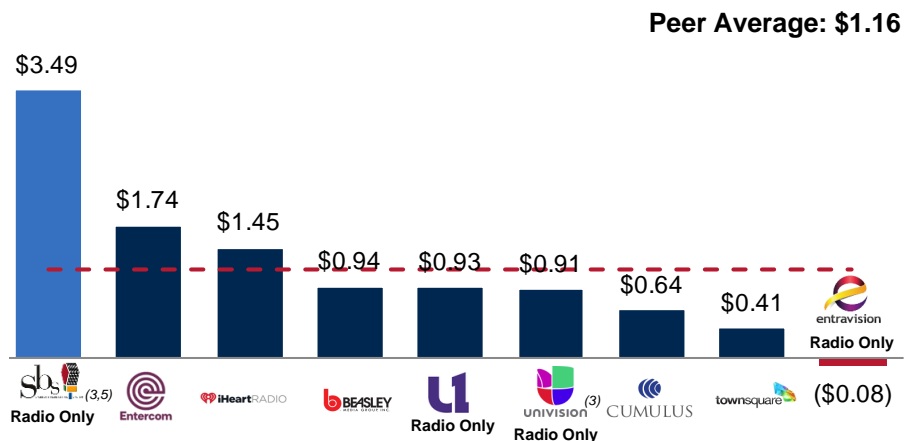
#### 2019 Radio Reported Adjusted OIBDA

\$60 <sup>(4,5)</sup>	\$1,235	\$131	\$50	\$408	\$61 <sup>(4)</sup>	\$271	\$60	(\$4)
-----------------------	---------	-------	------	-------	---------------------	-------	------	-------

#### Ratings Growth<sup>(1)</sup>



#### 2019 Radio Reported Adjusted OIBDA Per Station<sup>(2)</sup>



#### Number of Stations

17	235	850	64	53	58	424	321	43 <sup>(7)</sup>
----	-----	-----	----	----	----	-----	-----	-------------------

## Proven Track Record of Resilient Financial Performance

While recent performance has been impacted by COVID-19 pandemic, the Company continues to dominate the market and demonstrate significant momentum in both operating and financial performance

- ✓ **Uninterrupted delivery of hyper local programming**
- ✓ **Strong consumer engagement across platforms**
- ✓ **Continue to dominate and outperform peers in SBS markets**
  - Consistent national ad recovery since June
  - AIRE cash ad sales pacing is up 19% YoY in September and 31% in October<sup>(1)</sup>
- ✓ **Robust growth in digital, paving the way for scale**
  - SBS' audio streaming revenue up 13% YoY in Q2
- ✓ **Improving ad sales from April troughs**

**Strong Audience Growth +22%**

YoY in June Total Multiplatform Reach

**Consistent Ratings Growth #1**

Unwavering ranking in all major markets

**Market Share Gains +100bps**

Across SBS markets on average

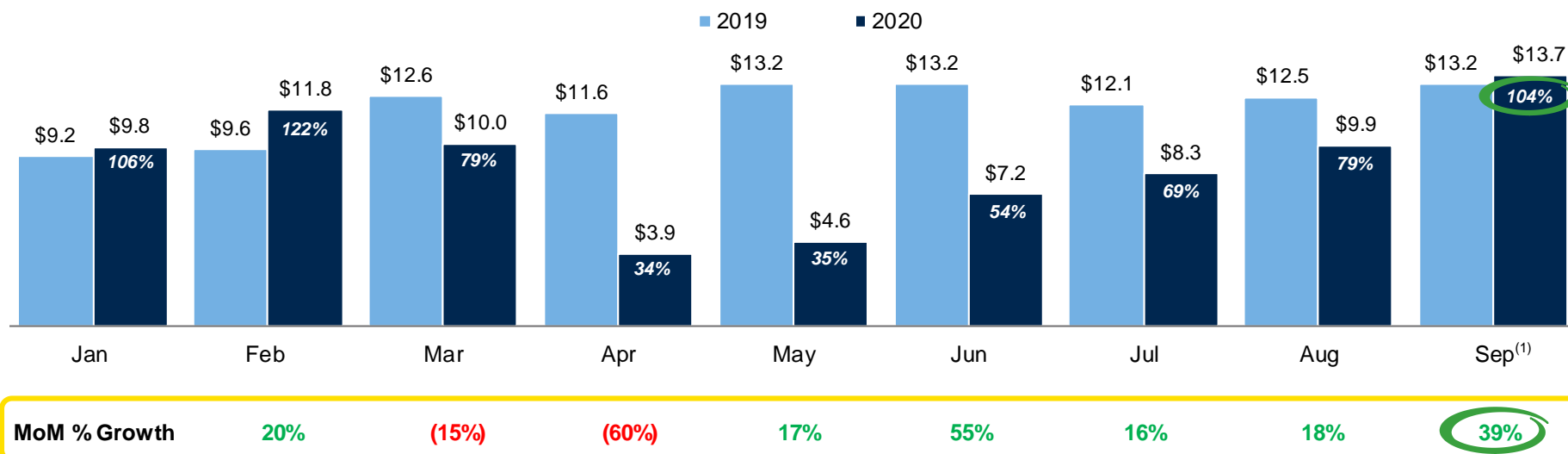
**Heightened Engagement in Audio Streaming +16%**

YoY in Unique Users in Q2

**Strong Recovery in Monthly Cash Ad Sales, Outperforming Pre-COVID Levels in September 2020**

### Monthly Cash Sales and % 2019 Pacing

(\$ in millions)



## 4 Proven Track Record of Resilient Financial Performance (cont.)

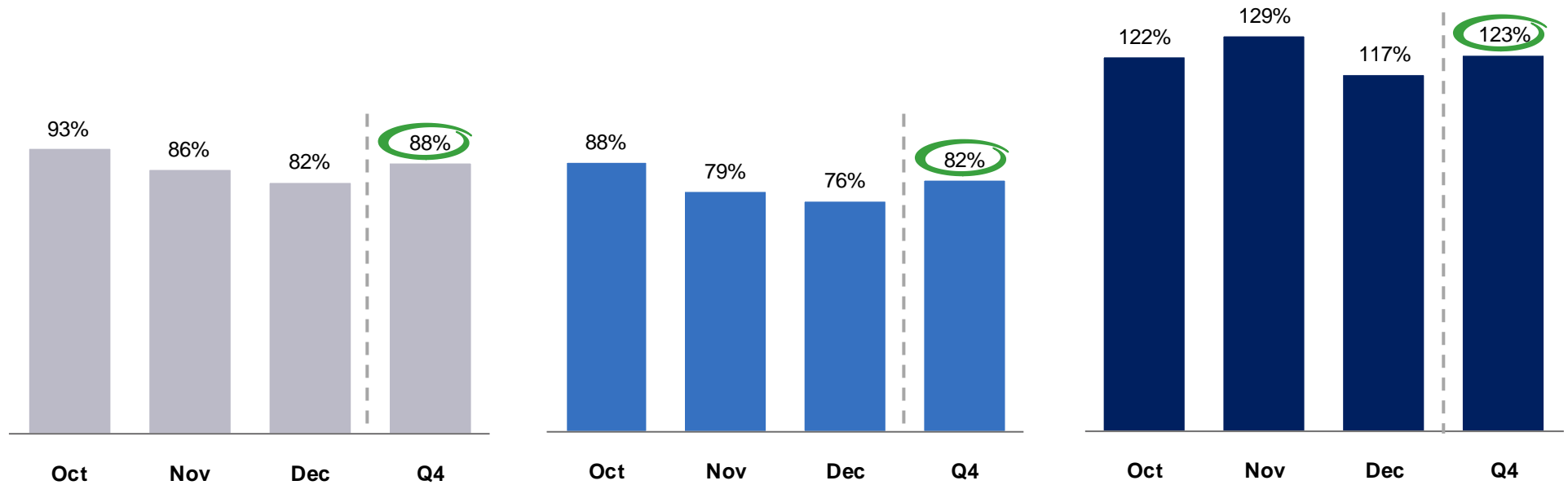
Despite Shorter-Term Buys in COVID, SBS Has Already Booked 88% of Q4 Sales Compared to 2019

2020 Monthly Cash Sales as a Percent of 2019<sup>(1)</sup>

Consolidated

Radio

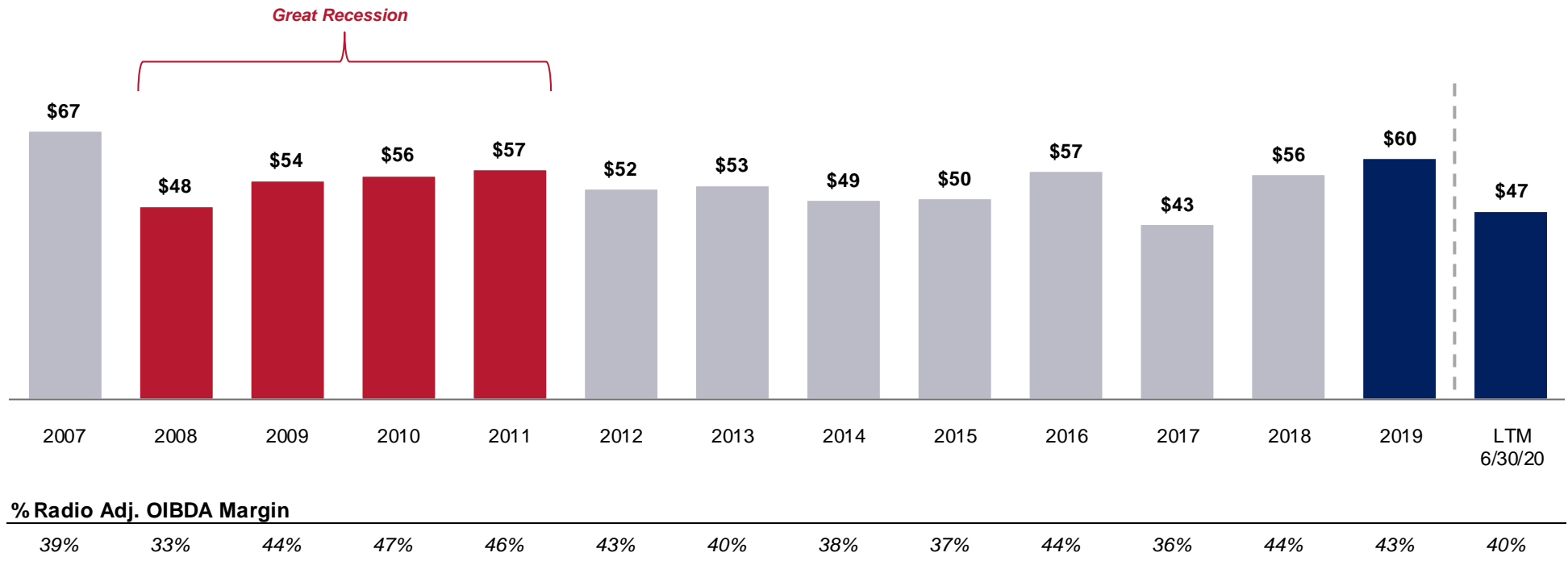
TV



## 4 Proven Track Record of Resilient Financial Performance (cont.)

### Track Record of Resilient Operating Performance

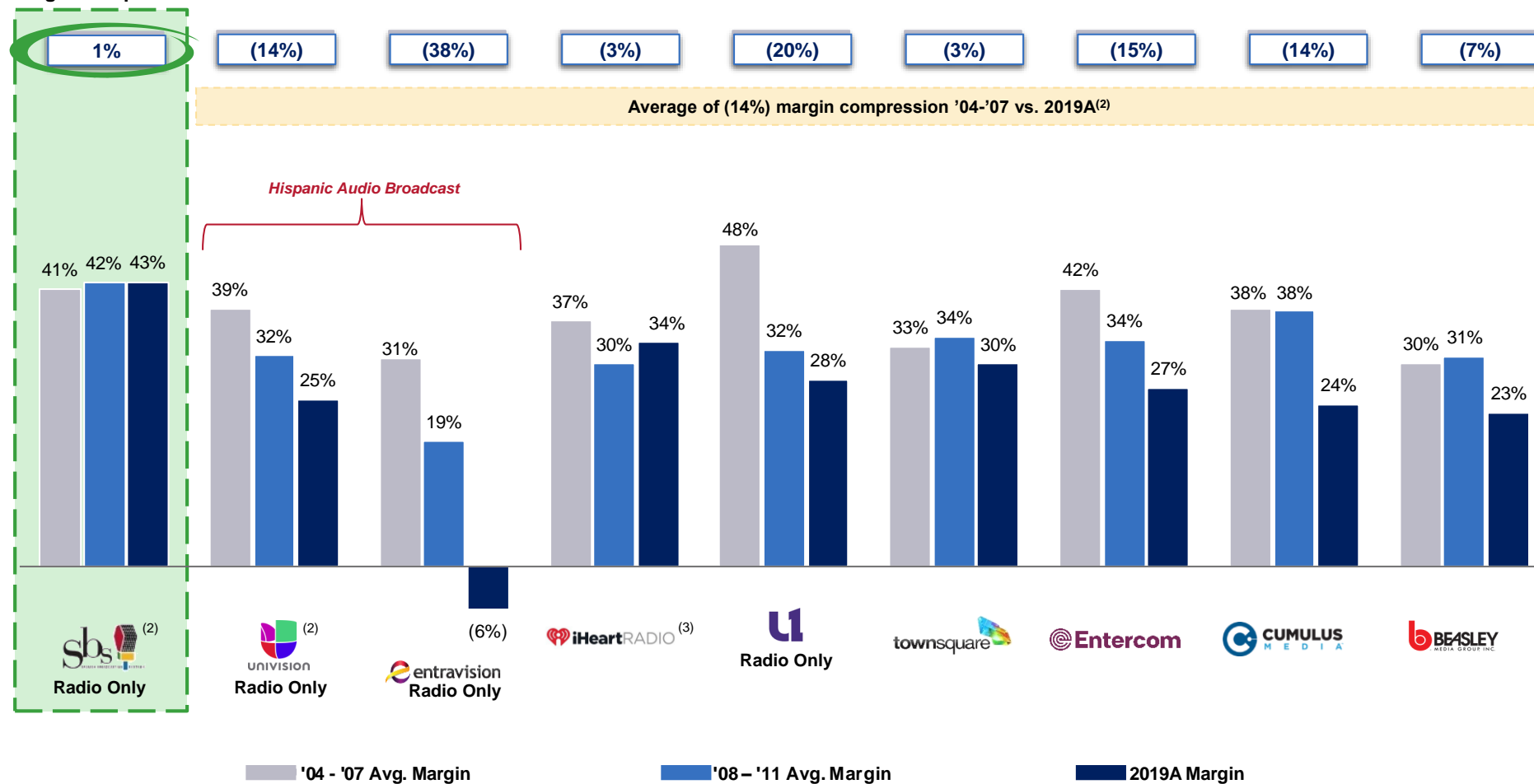
SBS Historical Radio Reported Adjusted OIBDA and Margin<sup>(1)</sup>  
(\$ in millions)



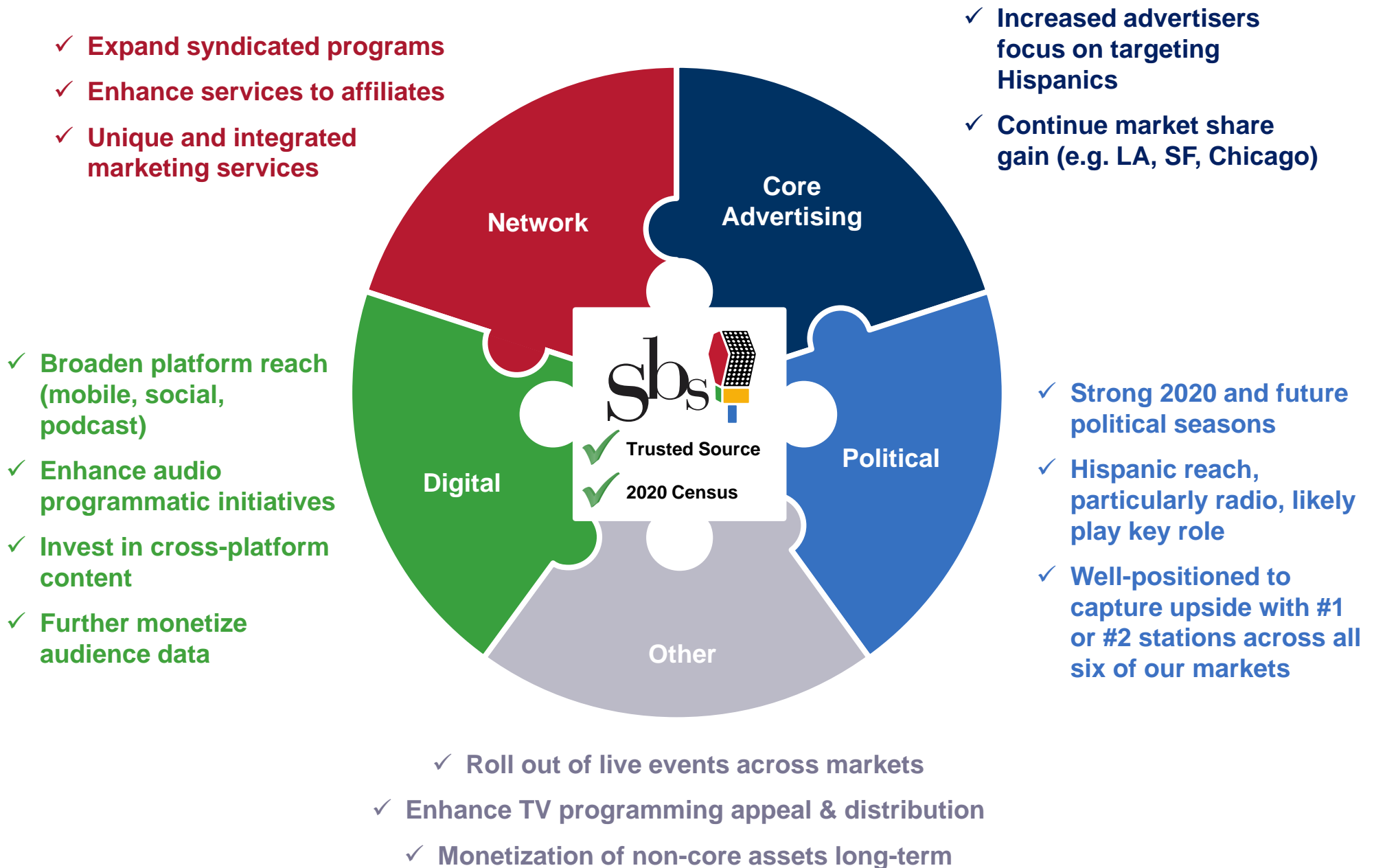
## 4 Proven Track Record of Resilient Financial Performance (cont.)

### SBS Showcased Resilient Cost Structure and Expanded Margins Post Recovery<sup>(1)</sup>

Margin Compression to Date:







## 5 Multiple Avenues To Drive Future Growth (cont.)

2020 expected to be a record year for political advertising, where Hispanic radio will be a major beneficiary

### Strong Political Backdrop

- A strong 2018 midterm election cycle, wide and contentious Presidential election, and increasingly polarization around key social issues set the stage for a record 2020 political year
- Hispanics are becoming increasingly critical with significant impact to political outcomes
  - Number of Hispanic voters doubled from 2014 to 2018, growing at 2.7x the pace of non-Hispanic voters
  - Miami in particular has been a key market for political spending
- 2020 Census is expected to drive additional demand for political spending on U.S. Hispanics going forward
- Broadcast radio is expected to continue playing a leading role in reaching targeted Hispanic audience
- Additional upside from increased focus on political revenue stream and resources in Washington
- SBS is well-positioned to realize significant political growth with its dominance in top Hispanic markets

### SBS Political Revenue History

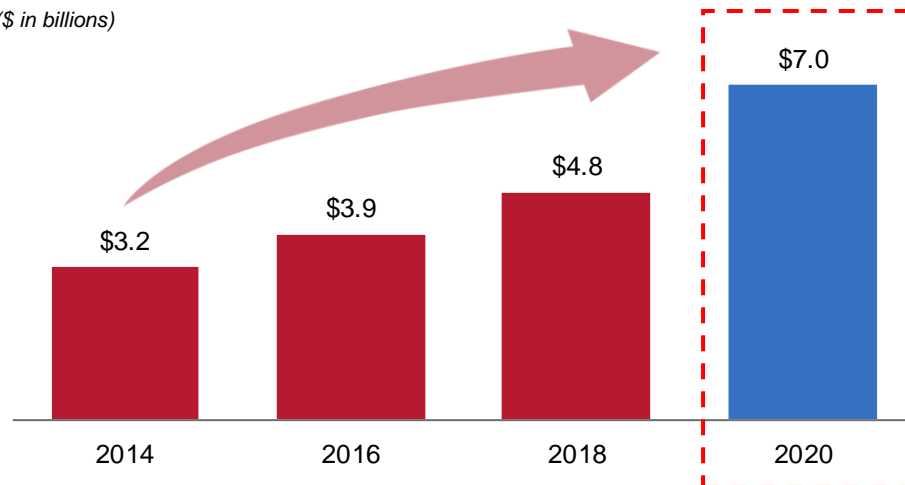
(\$ in millions)

- Has booked \$4.1mm of political YTD (already achieved 2016 full year level and expect to generate record political revenue)



### Total U.S. Political Expenditures






(\$ in billions)

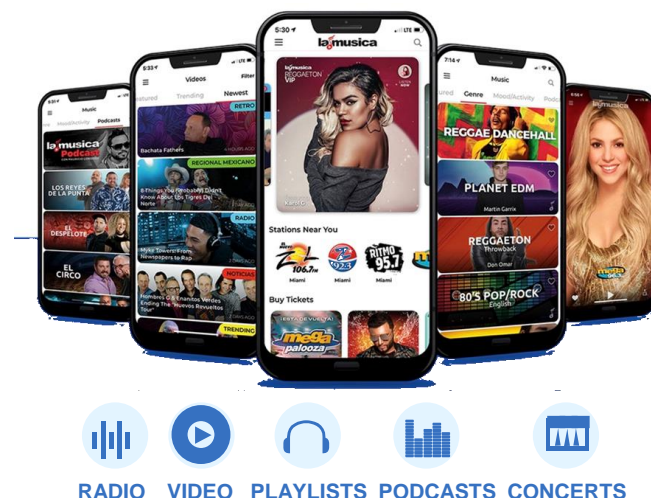


Political Spend is Expected to Continue to Increase in 2020 and Beyond

## 5 Multiple Avenues To Drive Future Growth (cont.)

### Significant growth opportunity to broaden digital / mobile reach and enhance monetization

- SBS owns LaMusica and a portfolio of 35 in-depth broadcast branded websites and mobile apps, providing bilingual content on Latin music, entertainment, culture, lifestyle, news, and event listings
  - Currently compatible with     **chromecast** **Roku TV** , among others
- Over the past years, SBS has executed a concerted strategy to leverage the strength of its audio station business and extend that leadership online via mobile
  - Hispanics are the youngest ethnic group in the U.S., grown up in an entirely digital age, and rely heavily on mobile to access audio / video content
  - Enhances distribution and monetization of content to multiplatform audience
- Today, LaMusica is the #1 Hispanic radio app and site, which features an extensive series of short form videos, simultaneous live streams of its radio stations, curated playlists, and personalized streaming experience
- Continued growth from quality audio/video content, cross-platform distribution and marketing, and further audience engagement
- Launched live music series, sponsored virtual live stream, and amped up podcast production in response to COVID-19



#### Key Highlights<sup>(1)</sup>

#### Financial Summary

#### Audience

**7.8mm**

Followers on Social  
(Facebook, Instagram,  
Twitter)

**1.34mm**

Streaming Listeners

**~640k**

Monthly active unique  
users (Web, App, TV)

#### Engagement

**13.7mm**

Total Radio  
Streaming Sessions

**7.5mm**

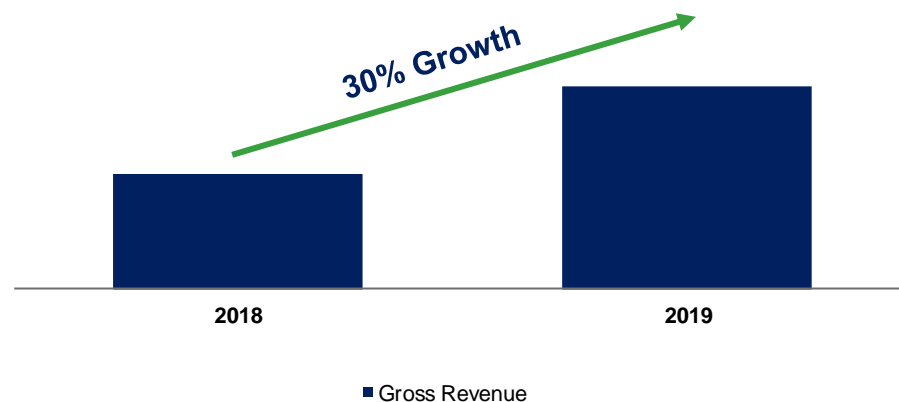
Hours of  
Listening

**1.6mm**

App  
Downloads

**8.3mm**

App / Web  
Sessions



## 5 Multiple Avenues To Drive Future Growth (cont.)

AIRE radio network represents significant growth and provides access to more national advertisers

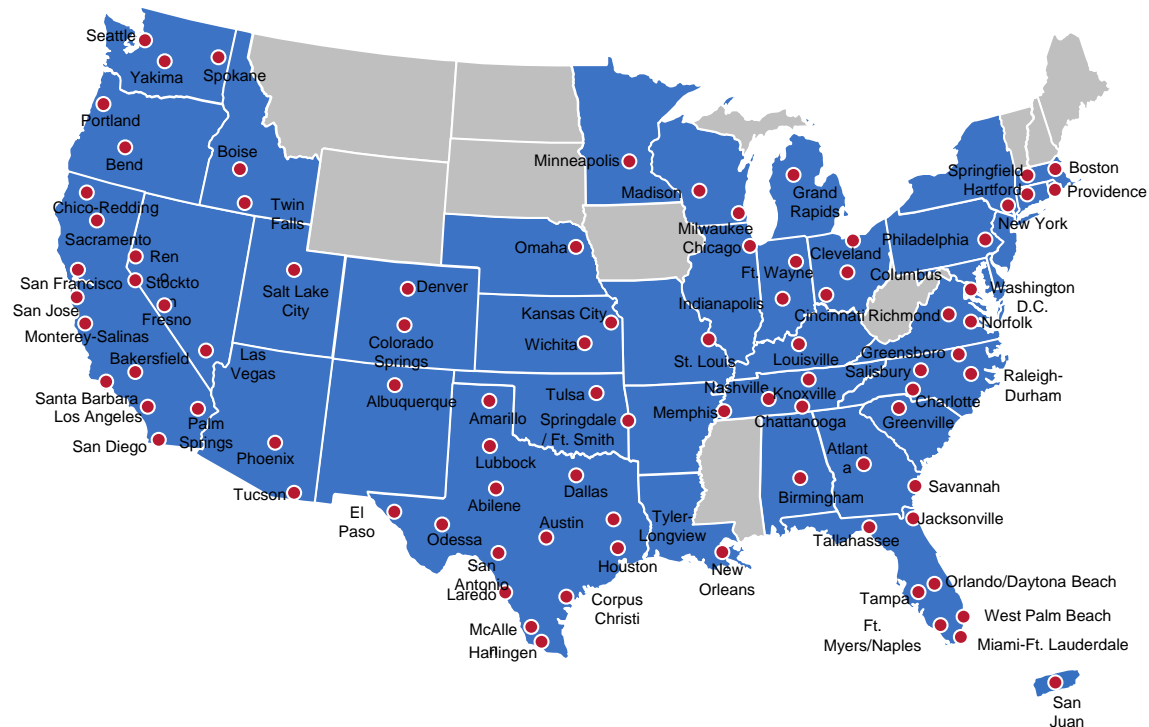
### Overview of Aire Radio Networks



- **Largest minority certified radio network with a suite of targeted networks and syndicated network shows carried on its owned and operated stations and +300 affiliated radio stations**

- **Delivers high quality, national programming across variety of formats, demographics, services and dayparts**
  - Includes diverse music line-up, hourly news, sports and entertainment features, interviews, and specialty segments
  - Features customizable options for advertisers to reach desired target group across the nation
- **Consistently outperformed peers and generated consistent growth through:**
  - Innovative and expansive content offerings
  - Increase in brand advertising and sponsorship opportunities (e.g. artista360, corporate campaign)
  - Growing affiliate reach
  - Strong salesforce execution
  - Roll out services to affiliate partners (e.g. show prep services, customized content)

### Coverage Map



### Key Highlights

**15mm**  
**Hispanic**  
Listeners Weekly

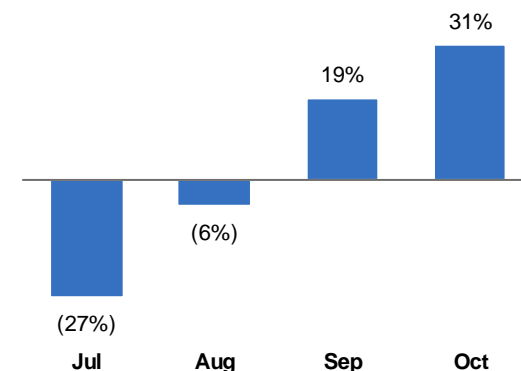
**95%**  
of Hispanic  
Market Covered

**50 of the**  
**Top 50**  
Hispanic Markets

**+300**  
Affiliates

**20%**  
Revenue CAGR  
(2017-2019)

### Strong Pacing Recovery Since COVID-19<sup>(1)</sup>





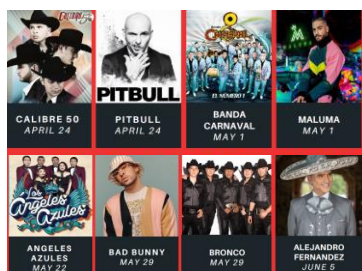
## 5 Multiple Avenues To Drive Future Growth (cont.)

While Live Events has faced COVID related headwinds, there is significant upside for the business

### SBS Live Events Overview

- **Largest independent promoter of Hispanic concerts, events and live activations, primarily held in Los Angeles, New York, Puerto Rico and Florida**
- **Leverages SBS' deep relationship with artists and insight on listener trend to produce highly popular and unique events including:**
  - Romeo Santos concert, which sold out Yankee Stadium two nights in a row, joining records held by Madonna and Paul McCartney
  - Key franchise Calibash has sold out Staples Center (Los Angeles) booked spillover in Las Vegas
- **Provides unduplicated promotion platform for SBS and produces new content that are distributed across platforms**
  - Successfully drive ratings across platforms and deepen relationship with its audience
- **Generates high-margin revenue from sponsorship and additional cash flow from ticket sales, profit-sharing, artist management and filmed events**
  - Sponsors include Anheuser Busch, Toyota, Sprint, Ford, Absolut, Kia and Mazda, among others
- **During COVID, the company has launched at-home audio concert series, Mi Casa Es Tu Casa, and is rolling out drive-in events**
  - Shows containing video elements being launched in October via LaMusica Live
- **For 2021, SBS is rescheduling all SBS 2020 live events that were not executed, plus adding shows in markets like Orlando and Chicago**
  - Dates will be added to existing shows with guidance from venues and local authorities to follow strict city/state and federal COVID-19 guidelines

### Selected Annual Live Events



(8 week series)



Location

Virtual

Worldwide



Miami, FL



Las Vegas, NV



Los Angeles, CA



Newark, NJ

Headliners

J. Balvin, Bad Bunny,  
Carlos Vives, Ivy Queen

Don Omar, J Balvin,  
FARRUKO, Wisin

Christian Nodal,  
Banda el Recodo

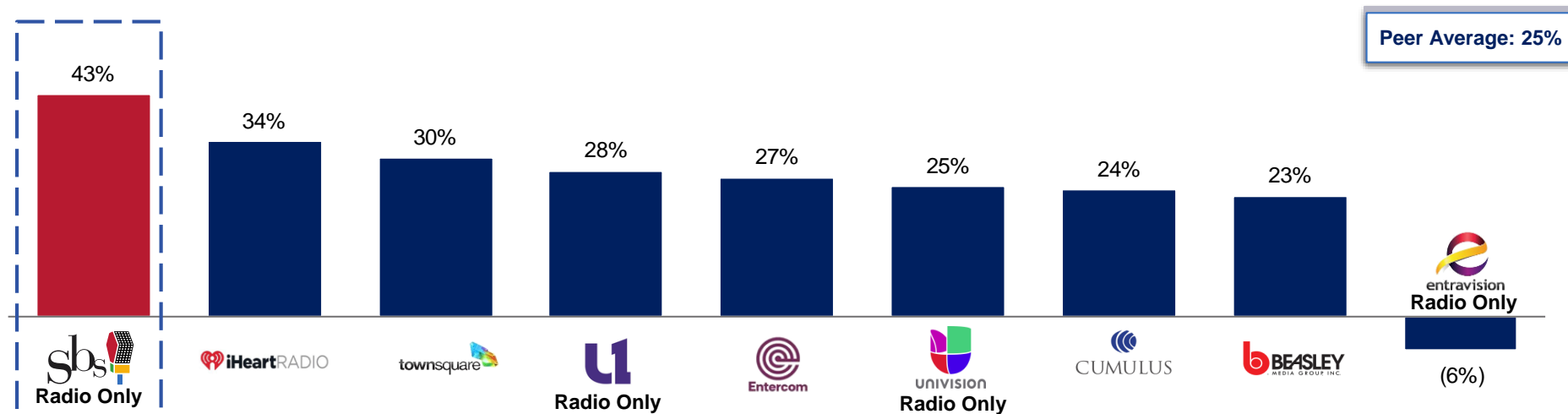
Jennifer Lopez, Wisin,  
J Balvin, Bad Bunny

OZUNA, J Balvin,  
FARRUKO, Anuel AA

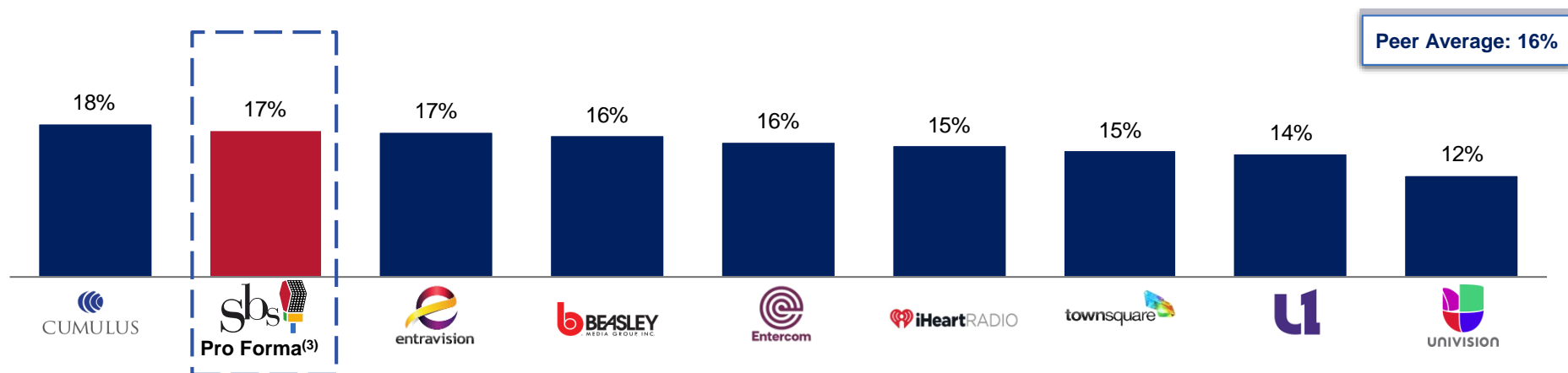
## 6 Strong Free Cash Flow Profile

- ✓ Peer leading Radio Reported Adjusted OIBDA margin at ~43%
- ✓ Significant free cash flow generation at over 90% conversion
- ✓ Low working capital and capex requirement at ~5% of revenue
- ✓ Comparable debt coverage compared to peers

2019 Radio Reported Adjusted OIBDA Margin<sup>(1)</sup>



Total Unlevered Free Cash Flow to Total Debt<sup>(2)</sup>

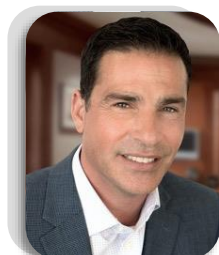






**Raúl Alarcón, Jr.**  
*President, CEO, Chairman*

- Joined SBS in 1983 and became CEO in 1994
- Oversees the long-range strategic planning and operational matters of all stations
- Mr. Alarcón, Jr. built SBS with his father Pablo Raúl Alarcón, Sr.



**José I. Molina**  
*Chief Financial Officer*

- Re-joined SBS as CFO in 2019, previously served as SVP of Finance from 2001-2015
- Oversees all financial affairs, operational and investor relations matters
- Previously held executive roles at Univision and MundoMax
- Began career at KPMG



**Albert Rodriguez**  
*Chief Operating Officer*

- Joined SBS in 1999 and was appointed COO in 2012
- Oversees day-to-day operations and revenue / profit performance for all radio, TV and entertainment divisions
- Previously served as CRO of SBS' TV business and held various General Manager and General Sales Manager roles in the Miami market



**Richard D. Lara**  
*EVP and General Counsel*

- Joined SBS in 2016 as EVP and General Counsel
- Previously counseled domestic and international corporate clients regarding business disputes
- Oversees all legal matters, including developing and implementing the Company's legal strategy, as well as regulatory compliance, risk management, and corporate governance



**Juan Garcia**  
*Executive Vice President*

- Joined SBS in 2016
- Develops and executes refinancing strategies
- Prior executive roles at Sterling Advisors (Family Office) and Lehman Brothers



**Jesus Salas**  
*EVP – Head of Programming*

- Re-joined SBS as EVP in 2010, previously was a supervisor programming for 6 years
- Prior roles at Sherjan Broadcasting WJAN, SiriusXM Radio and Univision Radio



**Alex Aleman**  
*EVP – Operations*

- Joined SBS in 2004 as Director and Operations for MegaTV and was appointed EVP of Operations in 2012
- Prior roles at Discovery Communications and Colony Communications



**Elisa Torres**  
*EVP – Networks*

- Joined SBS in 2013
- Prior experience as Sr. Director of Affiliate Relations at ABC Radio Networks

Award Winning Hispanic Leadership with Over 25 Years of Leadership Experience

# Historical Financial Summary

SECTION IV

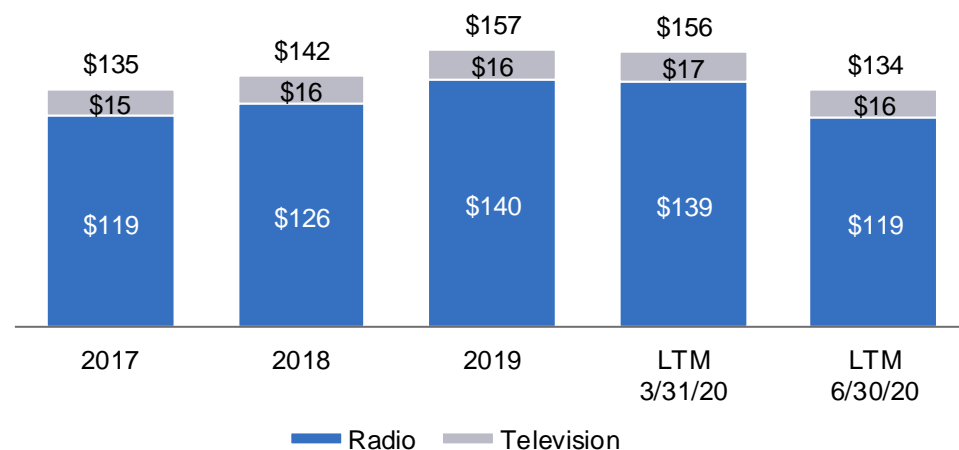
mega tv



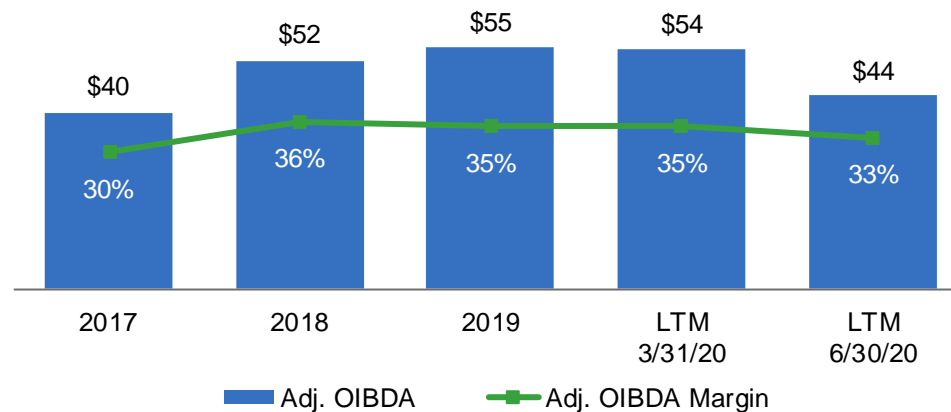
# Historical Financial Performance

(\$ in millions)

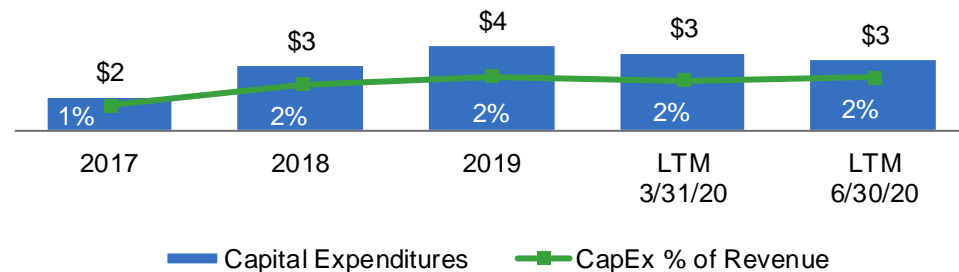
## Net Revenue



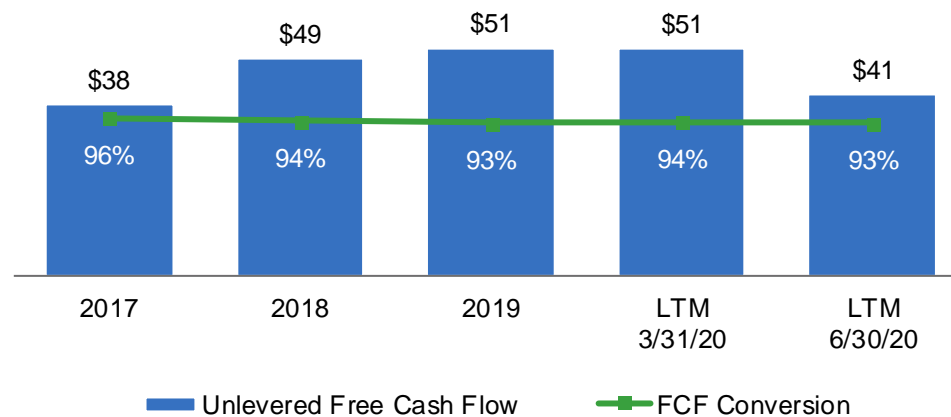
## Adjusted OIBDA<sup>(1)</sup>



## Capital Expenditures<sup>(2)</sup>



## Unlevered Free Cash Flow<sup>(3)</sup>



Source: Company filings, press releases.

Note: Financials are on as-reported basis and are not pro forma for acquisitions or divestitures in the historical period.

(1) Excludes Non-Recurring Items.

(2) Represents Radio, TV, and Corporate capital expenditures.

(3) Unlevered Free Cash Flow defined as Adjusted OIBDA less Capital Expenditures. FCF Conversion defined as Unlevered Free Cash Flow divided by Adjusted OIBDA.

# Key Business Update

## Business Operations

- Company operations and employees have adapted working remotely as a result of COVID-19 with minimal disruptions
- TV on-air audio production is largely still on-site
  - MegaTV has resumed production in Miami and Puerto Rico with established protocols to keep employees safe
- On-air radio talent continues to broadcast from home, and has not been impacted as a result of COVID
- Developing creative strategies and sales opportunities
- Daily leadership, NSM and AE status update call

## Continued Value to Consumers / Advertisers

- Aggressively working with all agencies / clients to offer assistance and solutions on a daily basis
- Provide coronavirus audio and streaming campaign activated with news, prevention and preparedness tips across SBS properties
- Launched the Mi Casa Es Tu Casa audio concert series, enlisting A-list artists to provide an at-home music experience to audio listeners on a weekly basis which is on pace to generate \$1mm in sponsorship revenue with its monthly shows
- Revenue performance was in-line with expectations until mid-March when COVID-19 outbreak and subsequent quarantine measures began to impact economies
- Improvement in monthly trends as lockdown ease in Q3
  - Advertising categories continue to bounce back, with pent up demand from advertisers

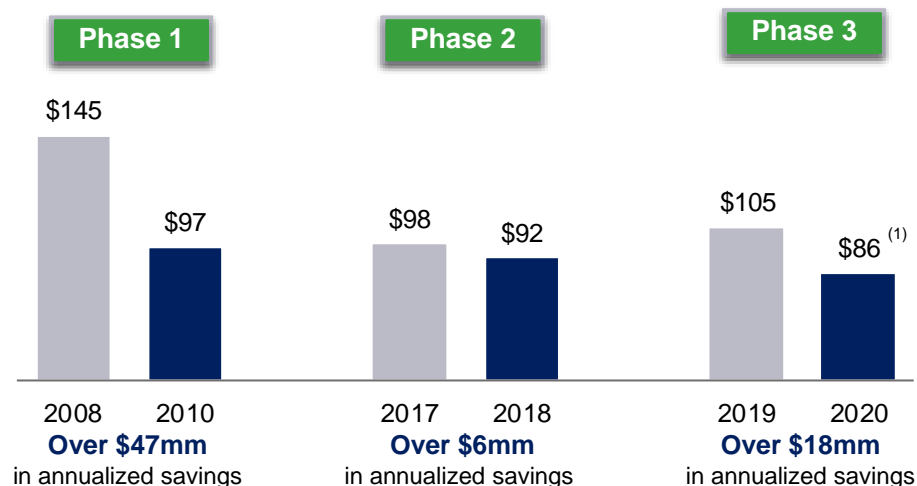
## COVID-19 Action Plan

### Successful Implementation of Cash Retention Strategies

Expense Reduction	Cash Preservation
<ul style="list-style-type: none"> <li>Management rank-and-file costs</li> <li>Content production</li> <li>Commission, advertising, marketing</li> <li>Vendor renegotiation</li> <li>Professional fees and facility expenses</li> <li>Voluntary de-registering from reporting requirements</li> </ul>	<ul style="list-style-type: none"> <li>Capital expense hiatus</li> <li>Participation in \$6.5 million of PPP loan</li> </ul>

## Proven Track Record as a Disciplined Cost-Cutter

Annual operating expenses (\$mm)



# Appendix

## SECTION V



Capital  
Markets

## Supplemental Financial Detail



Capital  
Markets

## Adjusted OIBDA Reconciliation

(Fiscal Year ending December 31st)	2018A	2019A	LTM 03/31/20	LTM 06/30/20
<b>Net Income</b>	<b>\$16.5</b>	<b>(\$0.9)</b>	<b>(\$11.3)</b>	<b>(\$19.7)</b>
Interest expense	31.8	31.2	31.3	31.4
Dividends on preferred as interest	9.7	9.7	9.7	9.7
Income tax expense (benefit)	(6.5)	(1.4)	(2.6)	(2.8)
<b>Operating Income</b>	<b>\$51.6</b>	<b>\$38.6</b>	<b>\$27.2</b>	<b>\$18.7</b>
Depreciation and amortization	3.8	3.6	3.6	3.5
<b>OIBDA</b>	<b>\$55.4</b>	<b>\$42.2</b>	<b>\$30.7</b>	<b>\$22.2</b>
1 Net loss (gain) on disposal of assets	(12.6)	0.4	(2.8)	(2.8)
2 Recapitalization costs	6.7	6.8	6.6	6.2
3 Executive severance	-	1.8	1.8	-
4 Impairment charges	0.5	-	14.1	14.4
Other	0.0	(0.0)	0.0	0.0
<b>Reported Adj. OIBDA</b>	<b>\$50.1</b>	<b>\$51.3</b>	<b>\$50.5</b>	<b>\$40.0</b>
5 Deregistration cost savings	2.0	1.8	1.9	1.9
6 Union legal cost	0.3	0.8	0.9	0.9
7 Relocation cost	0.0	0.5	0.4	0.3
8 Employee related costs	(0.0)	0.3	0.2	0.2
9 Discontinued operations (Houston)	(0.4)	(0.3)	(0.0)	0.1
10 Other	(0.4)	0.5	0.6	0.5
<b>Adjusted OIBDA (Excl. Non-Recurring Items)</b>	<b>\$51.6</b>	<b>\$54.9</b>	<b>\$54.5</b>	<b>\$43.9</b>

- 1 Removes impact of asset disposal, including 2020 sale of Houston television market's KTBV FCC license, certain transmission related fixed assets and an operating lease relating to that transmission site
- 2 Professional, legal and financial advisory fees paid in connection with the Company's efforts to recapitalize its balance sheet, including refinancing the Senior Secured Notes due 2017
- 3 Executive severance in connection with retirement of former Senior Executive Vice President / CFO
- 4 Impairment primarily related to radio FCC broadcasting licenses in San Francisco, Chicago, Miami, New York and Puerto Rico in Q1 2020
- 5 Removes professional and insurance costs associated with maintaining compliance with the Securities Exchange Act of 1934; the Company deregistered its common stock in July 2020
- 6 Represents add-backs for legal costs and settlement related to union negotiations
- 7 Removes one-time costs related to relocation of certain operations in New York, Miami, and San Francisco
- 8 Normalizes compensation related to former CFO and adds back non-recurring severance and recruiting / consulting fees
- 9 Removes operating income related to Houston KTBV television operations that were sold in March 2020
- 10 Includes non-recurring expenses and other minor adjustments

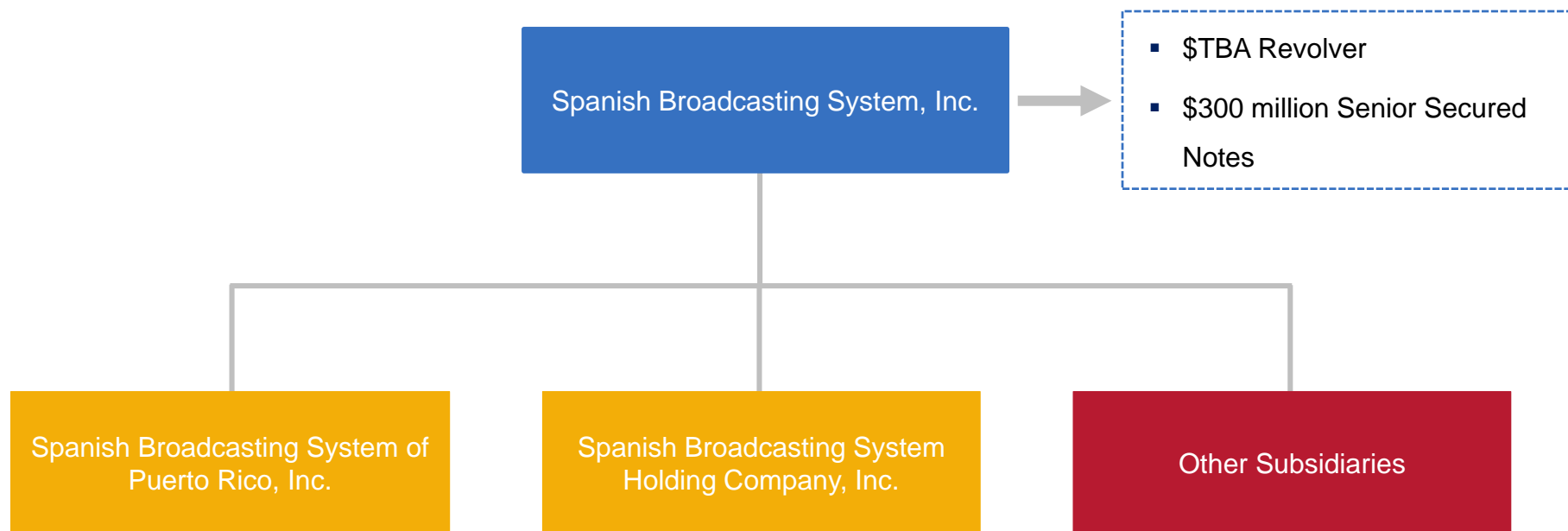


Supplemental Spanish Broadcasting  
Company Materials

mega tv



# Organizational Chart



**Borrower**



**Guarantors<sup>(1)</sup>**



**Non-Guarantor<sup>(1)</sup>**



# Business Overview | Los Angeles Market Highlights

## Market Highlights

(\$ in millions)

# #1

Radio Revenue  
Market

# ~49%

Hispanic  
Population

Of that

# 78%

is Mexican

# \$711

Estimated Market  
Revenue

# \$657

Over-the-Air

# \$54

Interactive

## Station Details

- **KLAX - LA RAZA 97.9 FM** was the first Regional Mexican FM station to air in Los Angeles
- Significantly, Regional Mexican is the #1 preferred format for Latinos in the U.S.
- Despite there being four Regional Mexican stations in LA, La Raza continues to hold its leading position among all stations in the market with a weekly reach of over 1.3 million consumers

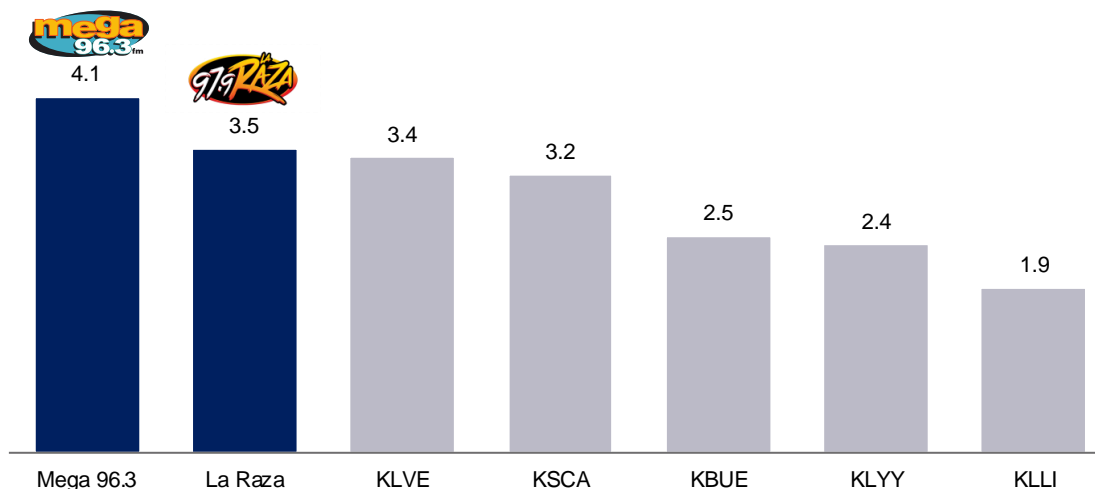


- **KXOL - Mega 96.3 FM** is a ground-breaking bilingual radio station targeting Latino Angelenos in the 18-34 age demo
- This Spanish Rhythmic CHR station features a mix of chart-topping hits and artists
- In addition to its on-air reach of over 1.2 million consumers weekly, Mega hosts the most popular Hispanic concerts, including CALIBASH at the Staples Center



## Competitive Ratings Dominance<sup>(1)</sup>

### Spanish Language Stations



# Business Overview | New York Market Highlights

## Market Highlights

(\$ in millions)

# #2

Radio Revenue  
Market

# ~29%

Hispanic  
Population

Of that

# 26% / 21%

is Puerto Rican / Dominican

# \$548

Estimated Market  
Revenue

# \$502

Over-the-Air

# \$46

Interactive

## Station Details

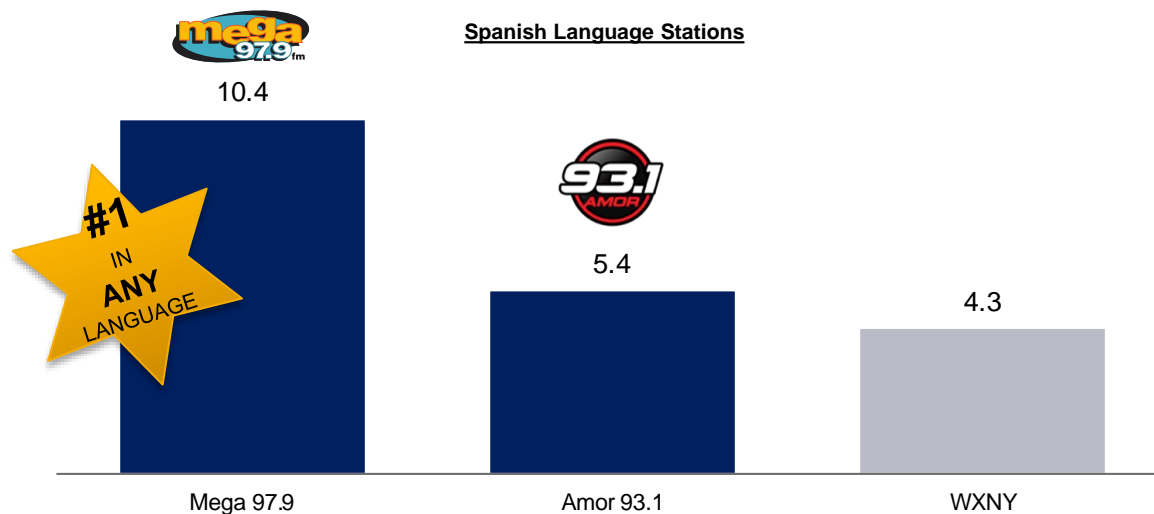


- **WSKQ - Mega 97.9 FM** is mix of tropical sounds and highly recognizable personalities make the station a favorite in this Caribbean Hispanic market
- Mega 97.9 is the #1 Hispanic station in America according to Nielsen



- **WPAT - Amor 93.1 FM** includes a mix of Spanish pop and progressive rhythmic sounds that have made the station a favorite among New York's diverse and international Hispanic listeners

## Competitive Ratings Dominance<sup>(1)</sup>



# Flagship Station WSKQ is the #1 Spanish-Language Audio Station in the Nation and the World

- SBS pioneered Spanish-language FM service in New York City in 1989 through its acquisition of WSKQ-FM
- Achieved #1 ranking among all radio competitors in New York City in 1998
  - Beat English-language stations Z100 (WHTZ 100.3 FM) and Lite FM (WLTW, 106.7 FM) for the #1 position in 2013
- Maintained its #1 ranking for 8 consecutive Nielsen ratings surveys and achieved record-setting ratings today at double-digit share
- SBS' market leadership and growth momentum is driven by its deeply rooted connection and attachment to listeners
  - Popular music line-up
  - Hyper local programming (news, sports, weather, emergency)
  - Additional resources and community connection with special segments (e.g. law, immigration, finance, opinions)
- Leveraged its strong local audience delivery and driven growth across SBS:
  - **Consolidation of audience share to command larger share of ad dollars**
    - Acquired sister station 93.1 Amor WPAT, which has generated robust ratings growth and is now the #2 ranked Hispanic station in New York
  - **Extension of audio leadership to other platforms**
    - Distribute content globally through LaMusica platform
    - Increase direct-to-consumer engagements via digital / social
    - Cross marketing platform across assets
  - **Deepened existing / new artist relationship**
    - Best-in-class listenership database
    - Reliable promotional avenue
- Amidst COVID-19, the station provides even more valuable resources to its community, which has been disparately impacted by the pandemic
  - Launched recovery campaign on WSKQ as well as AIRE and MegaTV, with daily on-air medical bulletins, news flashes, progress reports, celebrity messages, public announcements, and job listings
- As a result, SBS' New York market has experienced recovery going into Q3
  - +50% growth in national in Q3
  - Local pacing above 2019 level in October

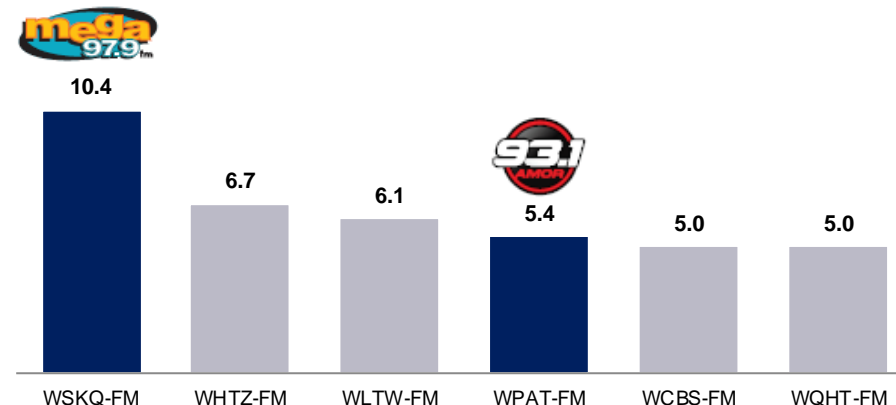
## Top Radio Station in the Nation<sup>(2)</sup>

- For over a decade, WSKQ has been the most listened to Spanish-language station in the country regardless of format
  - 10.4 average core hour share A18-34
- Achieved highest ratings in Nielsen rating history

#1			(NYC)	1,295,600
#2		KLVE-FM	(LA)	1,048,900
#3			(LA)	909,300
#4			(LA)	890,400

## Leads Terrestrial and Streaming Radio by Wide Margin<sup>(1)</sup>

- WSKQ and WPAT together reach 4.2mm weekly listeners (+20% YoY)
- #1 among millennials of **ANY** language and continued growth in listeners



# Business Overview | Chicago Market Highlights

## Market Highlights

(\$ in millions)

**#3**

Radio Revenue  
Market

**~29%**

Hispanic  
Population

Of that

**80%**

is Mexican

**\$463**

Estimated Market  
Revenue

**\$413**

Over-the-Air

**\$50**

Interactive

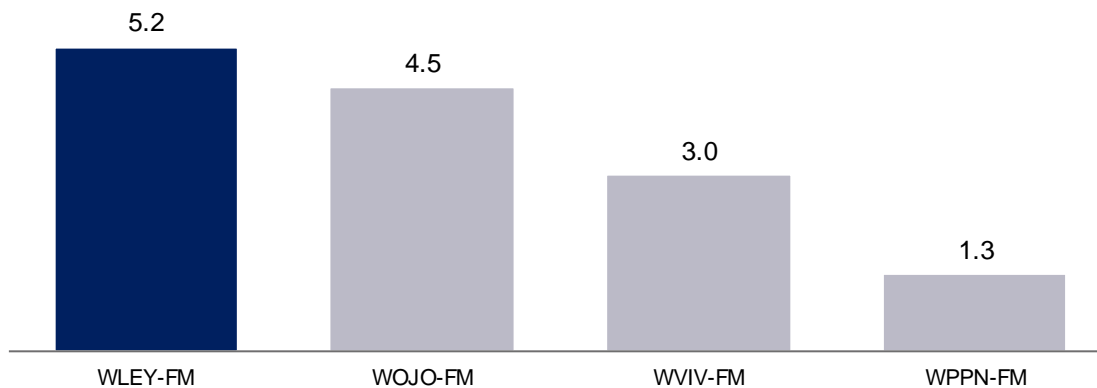
## Station Details



- **WLEY - LA LEY 107.9 FM** - has been a heritage Chicago radio leader for over 20 years
- WLEY's on-air staff includes some of Chicago's most iconic radio influencers
- The station boasts a historic involvement in market events and local promotions

## Competitive Ratings Dominance<sup>(1)</sup>

### Spanish Language Stations





# Business Overview | San Francisco Market Highlights

## Market Highlights

(\$ in millions)

# #8

Radio Revenue  
Market

# ~15%

Hispanic  
Population

Of that

# 70%

is Mexican

# \$240

Estimated Market  
Revenue

# \$217

Over-the-Air

# \$22

Interactive

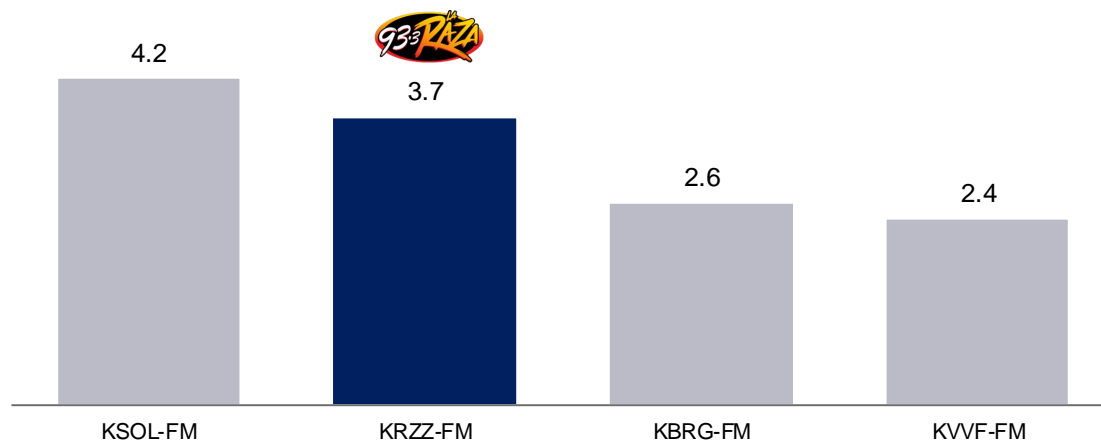
## Station Details



- **KRZZ - La Raza 93.3 FM** - is the most promotionally active Hispanic radio station in San Francisco
- The station participates in more than 650+ annual promotions, local festivals, community events, and its own proprietary concerts at the Oracle Arena, the Great America Theme Park and other local venues.

## Competitive Ratings Dominance<sup>(1)</sup>

### Spanish Language Stations



# Business Overview | Miami Market Highlights

## Market Highlights

(\$ in millions)

# #10

Radio Revenue  
Market

# ~72%

Hispanic  
Population

Of that

# 43%

is Cuban

# \$234

Estimated Market  
Revenue

# \$208

Over-the-Air

# \$26

Interactive

## Station Details



- **WCMQ - Zeta 92.3 FM** was the first Spanish-language FM in South Florida to reach the #1 ranking in Miami ratings
- Zeta 92 plays Classic Hits from the 70's, 80's and 90's, along with a mild blend of today's #1 chart-breaking hits
- WCMQ's morning show includes music and news, attracting a mature and affluent audience



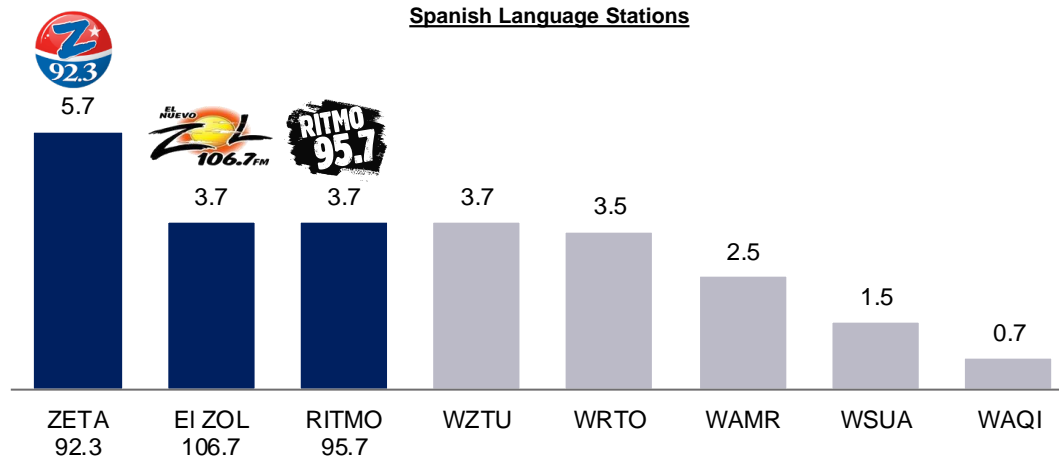
- **WXDJ - El Zol 106.7 FM** has been, since 1992, the heritage leader and ambassador of Tropical Latin Music in South Florida
- WXDJ is relevant and upbeat, playing and popularizing today's #1 hits in Reggaeton, Bachata, Salsa, Merengue and Pop



- **WRMA - Ritmo 95.7 FM** super-serves the Cuban community of South Florida
- Ritmo 95 was the first "Cubaton-intensive" radio station in the country

## Competitive Ratings Dominance<sup>(1)</sup>

### Spanish Language Stations



# Business Overview | Puerto Rico Market Highlights

## Market Highlights

(\$ in millions)

**#35**

Radio Revenue  
Market

**~98%**

Hispanic  
Population

**\$70**  
Estimated Market  
Revenue

**\$69**

Over-the-Air

**\$700K**

Interactive

## Station Details

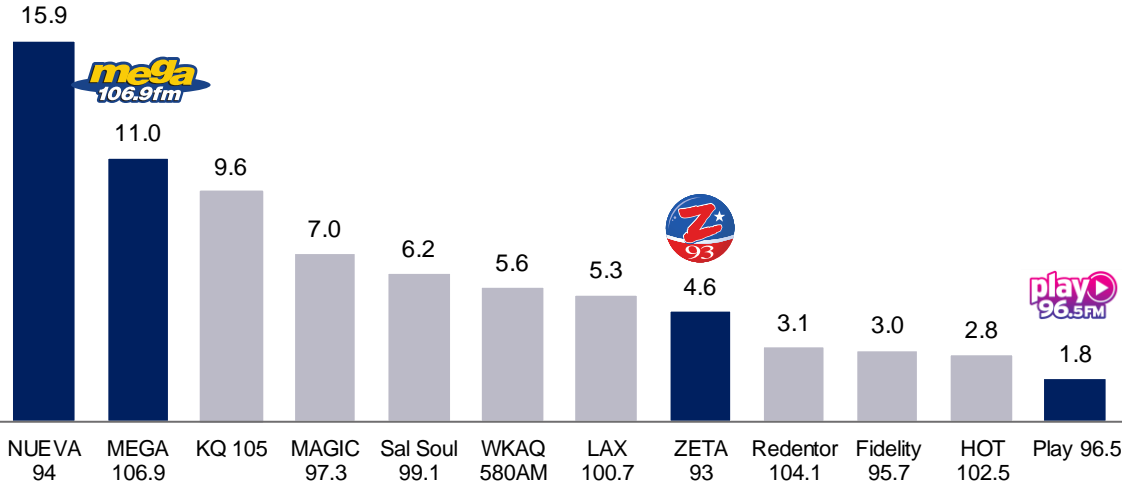
- SBS is the largest multimedia company in Puerto Rico.
- Our radio stations reach an average of 2 million weekly listeners through engaging local programming.
- The stations are designed to engage every demographic group on the island with a robust library of content, music, concerts and family experiences.



## Competitive Ratings Dominance<sup>(1)</sup>



### Spanish Language Stations

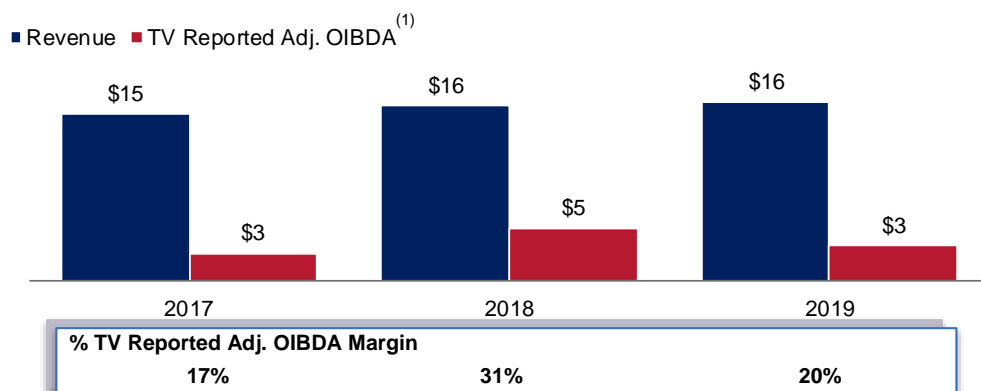


## Overview

- SBS launched MegaTV in March 2006 as an alternative television network to the traditional Spanish channels (e.g. Univision, Telemundo)
- Programming focuses on core strengths in news and general entertainment programs, such as music, celebrity, debate, interviews and personality-based shows
  - Develops ~70% of programming and commissions other content from Spanish-language production partners
  - Produces +110 hours of original programming per week
  - Expanding programming appeal to other large U.S. Hispanic segments by capitalizing on the programming produced by the Company's station in Puerto Rico, with shows such as La Comay, Informe 79 (news), Mega Noche with Hector Marcano, and more
- Reaches 21 million households through its broadcast footprint, network distribution, and partners via programming, affiliation, and local marketing agreements
  - Carried nationally on AT&T / DirecTV (basic tier) and Verizon FiOS (Parts of NY) and Dish (Puerto Rico)
    - Pursuing additional cable paid TV distribution for MegaTV National Network (Charter, Spectrum, others)
  - Recently added affiliates in Orlando, West Palm Beach and Alaska
  - Exploring paid streaming distribution opportunities
- SBS TV generates revenue primarily from the sale of local advertising and paid programming

## Financial Snapshot and Key Performance Metrics

### Historical Performance



## Key Personalities

Variety of original TV personalities across the company's five owned and operated TV Stations

Over 2,000 hours annually of original content shows

