



## SPANISH BROADCASTING SYSTEM, INC. REPORTS RESULTS FOR THE FIRST QUARTER 2024

MIAMI, FLORIDA, June 7, 2024– Spanish Broadcasting System, Inc. (the “Company” or “SBS”) (OTC: SBSAA) today reported financial results for the three months ended March 31, 2024.

### Financial Highlights

The results of operations of our television segment in the current and prior year periods have been classified as discontinued operations in the Financial Highlights and Unaudited Condensed Consolidated Statements of Operations and are no longer included as part of continuing operations or Adjusted OIBDA.

<i>(in thousands)</i>	Three Months Ended		%
	March 31,		
	2024	2023	Change
<b>Net revenue from continuing operations</b>	\$ 32,324	\$ 34,547	(6%)
Operating Expenses	24,905	27,730	(10%)
<b>Station Operating Income (SOI), a non-GAAP measure*</b>	\$ 7,419	\$ 6,817	9%
Corporate Expenses, without stock-based compensation*	2,453	3,422	(28%)
<b>Adjusted OIBDA, a non-GAAP measure*:</b>	<u>\$ 4,966</u>	<u>\$ 3,395</u>	46%

\* Please refer to the Non-GAAP Financial Measures section for a definition of Station Operating Income and Adjusted OIBDA and a reconciliation from the most directly comparable GAAP financial measure.

### Discussion and Results

“Our first quarter results demonstrate the initial benefits of our organizational realignment and our concerted efforts to drive improved operating performance,” stated SBS Chairman and CEO Raúl Alarcón.

“During the first quarter, core radio revenues increased 4% which, when combined with our renewed focus on operational discipline at each and every one of our business units, has led to a significant improvement in station operating income and Adjusted OIBDA.”

“As recently pre-announced, our consolidated Adjusted OIBDA, including our television unit (delineated as discontinued operations) grew approximately 100% in the first quarter, as compared to last year.”

“In addition, I confidently expect that our second quarter and, correspondingly, our First Half 2024 results will likewise approximate or exceed triple-digit growth in consolidated Adjusted OIBDA, including television, as compared to last year.”

“These performance metrics mark our first steps in reigniting accelerated growth in 2024 and beyond.”

“With the advent of the Presidential-year political ad cycle, the additive results from our Orlando and Tampa markets, as well as the ongoing rollout of our DAVID Initiative (more on that digital strategy at a later date), we’re targeting an expedited return to the Company’s pre-COVID financial performance thresholds during 2024.”

“Our connection to the nationwide Latino family, as measured by our consistent Nielsen ratings results among dramatically diverse audiences, has never been stronger. Forty years later, Latinos still turn to SBS for our innovative content, targeted station formats, unmatched on-air talent, exciting live concerts, entertaining and engaging contests and Local community promotions, which they can access both over-the-air and streamed on our LaMusica mobile app and other online platforms.”

“Our original audio, digital and experiential brands and content offerings are well positioned within the Hispanic ecosystem, insuring our continued ability to attract and document our key audience demographics and the patronage of corporate America’s leading brands, in addition to the local advertisers that flourish among the many communities we serve.”

WE CREATE FANS WHO CREATE LOYALTY FOR OUR CUSTOMERS.

“Moving forward, we will focus relentlessly on fortifying our operations while aggressively growing our aggregate multi-platform audience, as will be evidenced by our upcoming debut format serving Houston, the nation’s third-largest Hispanic market and fourth largest market overall.”

“We will continue to serve the nation’s growing Latino communities, while simultaneously driving superior operational performance, for the benefit of all Company stakeholders.”

### Three Months Ended Results

For the three months ended March 31, 2024, our operating results were impacted by our special events which had lower ticket sales and event expenses. Our operating expenses were impacted by an overall decrease of expenses throughout our markets and expense categories.

Our net revenue from continuing operations totaled \$32.3 million compared to \$34.5 million for the same prior year period, resulting in a decrease of \$2.2 million or 6%. The decrease was primarily the result of lower special events revenue and decreases in national and digital sales, partially offset by increases in local, network and barter sales.

Our operating expenses decreased \$2.8 million or 10% primarily due to decreases in special events expenses, compensation & benefits and allowance for expected credit losses, partially offset by increases in barter expenses and music license fees.

Our station operating income, a non-GAAP measure, totaled \$7.4 million compared to \$6.8 million for the same prior year period representing an increase of 9%. The increase was primarily due to decreases in special events expenses, compensation & benefits and allowance for expected credit losses, partially offset by decreases in special event revenue and national and digital sales.

Corporate expenses decreased \$0.9 million or 28% due to decreases in compensation & benefits, travel & entertainment and outside services.

Adjusted OIBDA, a non-GAAP measure, totaled \$5.0 million compared to \$3.4 million in the same prior year period, representing an increase of \$1.6 million or 46%. The increase in Adjusted OIBDA was primarily due to a decrease in operating and corporate expenses partially offset by a decrease in net revenue.

### Discontinued Operations

On February 9, 2023, we adopted the provisions of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 205-20-45, Discontinued Operations, and Topic 360-10-45-9, Long-Lived Assets Classified as Held for Sale. Under ASC 205 & 360, discontinued businesses or assets held for sale are removed from the results of continuing operations. We determined that the pending sale of our television segment and related real estate assets met the criteria in accordance with ASC 205 & 360.

For the three months ended March 31, 2024 and 2023, our television segment and its related real estate assets that are pending to be sold were classified as held for sale and their operations as discontinued operations. The results of operations of our television segment in the current and prior year periods have been classified as discontinued operations in the financial highlights and unaudited condensed consolidated statements of operations.

**Sale of Television Assets (Assets Held for Sale & Discontinued Operations)**

On February 9, 2023, the Company entered into various asset and real property purchase agreements (together the “Purchase Agreements”) to sell substantially all its television and certain real estate assets (together the “Purchased Assets”) which comprise the Company’s television operations known as MegaTV, serving the United States of America and Puerto Rico, to Voz Media, Inc. (“Voz Media”) for \$64 million. Pursuant to the Purchase Agreements, the Purchased Assets include: licenses, permits and authorizations issued by the FCC; programming content, equipment, leases and contracts used in or related to the operation of MegaTV; and certain real properties located in Miami, Florida and Puerto Rico as part of the transaction.

On September 20, 2023, the Company terminated the Purchase Agreements to sell substantially all its television and certain real estate assets to Voz Media, Inc. (“Voz Media”) for \$64.0 million because Voz Media did not cure its material breach to timely close on the transaction when notified by the Company. On October 10, 2023, the Company filed a lawsuit related to the contemplated sale of its Mega TV television network and other related assets to Voz Media, Inc. The Company settled with Voz Media, Inc. and recovered monetary damages against the plaintiffs during the three months ended March 31, 2024.

The Company continues to pursue the sale of these television and real estate assets. The Company expects the assets to be sold within one year.

In accordance with FASB ASC Topic 360-10-45-9, Long-Lived Assets Classified as Held for Sale, management determined that the ongoing plans to sell its television and certain real estate assets meet the held for sale criteria as of the balance sheet date of these financial statements.

The table below represents a summary of the assets and liabilities classified as held for sale as of March 31, 2024 and 2023 on the Company’s Unaudited Condensed Consolidated Balance Sheet (in thousands).

	<b>March 31,</b>	<b>March 31,</b>
	<b>2024</b>	<b>2023</b>
<b>Assets</b>		
Property and equipment, net	\$ 14,241	\$ 14,113
FCC broadcasting licenses	16,149	16,149
Operating lease right-of-use-assets	910	921
Other assets	102	-
Assets held for sale	<u>\$ 31,402</u>	<u>\$ 31,183</u>
<b>Liabilities</b>		
Operating lease liabilities	\$ 210	\$ 69
Operating lease liabilities, net of current portion	833	1,018
Liabilities held for sale	<u>\$ 1,043</u>	<u>\$ 1,087</u>

During the three months ended March 31, 2024 and 2023, the Company made capital expenditures of less than \$0.1 million and \$0.1 million, respectively. Capital expenditures incurred during the three months ended March 31, 2024 and 2023 are included in assets held for sale for the three months ended March 31, 2024 and 2023, listed above.

Once assets are classified as held for sale, management is required to evaluate if under ASC Topic 205-20-45, Discontinued Operations, the disposal of a component of an entity shall be reported in discontinued operations. Management determined that the disposal represents a strategic shift that will have a major effect on operations and financial results, at the balance sheet date, and that the results of the television segment shall be reported as discontinued operations. The operational and financial results related to the held for sale assets of the television segment, which include the real estate assets and production facility located in Miami, Florida, are classified as discontinued operations in the current and prior year periods in the Unaudited Condensed Consolidated Statements of Operations.

The table below represents the amounts classified as discontinued operations during the three months ended March 31, 2024 and 2023 on the Company's Unaudited Condensed Consolidated Statements of Operations (in thousands).

	Three Months Ended March 31,	
	2024	2023
Net revenue from discontinued operations	\$ 1,410	\$ 1,792
Operating expenses from discontinued operations:		
Operating expenses	2,507	3,234
Depreciation and amortization	—	112
Other operating income	(1,731)	—
Operating income (loss) from discontinued operations	634	(1,554)
Other expenses from discontinued operations:		
Interest expense	—	(6)
Pre-tax income (loss) from discontinued operations	634	(1,560)
Income tax benefit	(196)	(2,772)
Income from discontinued operations	\$ 830	\$ 1,212

### Acquisition of FM Radio Station

On April 3, 2023, Spanish Broadcasting System SouthWest, Inc. and SBS Houston Licensing, Inc., subsidiaries of the Company (collectively, "SBS SouthWest"), entered into an asset purchase agreement (the "Purchase Agreement") to acquire KROI(FM), a FM radio broadcast station (the "Radio Station") serving the Houston, Texas radio market, from Radio One Licenses, LLC and Radio One of Texas II, LLC (collectively, "Radio One"). Pursuant to the Purchase Agreement, Radio One, has agreed to convey certain assets, including licenses, permits and authorizations issued by the FCC, tangible personal property and certain leases used in or related to the operation of the Radio Station to SBS SouthWest.

The purchase price is equal to \$7.5 million plus or minus certain customary prorations and adjustments. On April 5, 2023, pursuant to the Purchase Agreement and the related escrow agreement, SBS SouthWest deposited approximately \$0.4 million into an escrow account. On November 15, 2023, SBS SouthWest and Sugarland Station Trust, LLC, (the trustee charged with the management and sale of KROI on behalf of Radio One) entered into an amendment to the Purchase Agreement (the "2023 Amendment") providing the Company the right to delay the closing until a date that is no later than the first to occur of: (a) the date that is five business days prior to the last day that the FCC Consent is in effect, and (b) July 1, 2024. As part of the 2023 Amendment, the Company agreed to release its deposit in escrow of \$0.4 million and made a payment of \$1.5 million in 2023. Under the 2023 Amendment the Company also made \$1.0 million payments on January 16th, March 29th, and April 30th of 2024 to the seller. On May 30, 2024, the parties to the 2023 Amendment entered into an amendment to the Purchase Agreement and 2023 Amendment (the "2024 Amendment") providing the Company the right to delay the closing until a date that is no later than the first to occur of: (a) the date that is five business days prior to the last day that the FCC Consent is in effect, and (b) November 27, 2024. As part of the 2024 Amendment, the Company made a \$0.3 million payment on May 31, 2024 and agreed to make payments on June 28th, July 31st, September 30th and October 31st of 2024 amounting to \$1.2 million, and the remaining balance of \$1.1 million by the first to occur of the closing and November 27, 2024. Payments made to the seller are applicable to the purchase price and are classified as prepaid expenses and other current assets on the Company's March 31, 2024 on the Company's Unaudited Condensed Consolidated Balance Sheet.

The Purchase Agreement contains customary representations, warranties, covenants and closing conditions, including FCC regulatory approval, and the transaction is expected to close during the fourth quarter of 2024.

### First Quarter 2024 Conference Call

The Company will host a conference call to discuss its first quarter 2024 financial results on Tuesday, June 18, 2024, at 11:00 a.m. Eastern Time. Questions from analysts, bondholders or institutional investors should be submitted in writing to [investor.relations@sbscorporate.com](mailto:investor.relations@sbscorporate.com), by close of business Wednesday, June 12, 2024, so that we can review and consider your questions either as part of our prepared remarks or during the Q&A portion of the call.

The call can be accessed via the live webcast link found on the Company's website at <http://www.spanishbroadcasting.com/webcasts-presentations> or by dialing 412-317-5441 ten minutes prior to its scheduled start time.

A replay of the webcast will also be available for fourteen days, through Tuesday, July 2, 2024, and can be accessed either through our Company's website at <http://www.spanishbroadcasting.com/webcasts-presentations> or by dialing 877-344-7529 (U.S) or 412-317-0088 (Int'l), passcode: 8201839

### About Spanish Broadcasting System, Inc.

Spanish Broadcasting System, Inc. (SBS) owns and operates radio stations located in the top U.S. Hispanic markets of Los Angeles, New York, Puerto Rico, Chicago, Miami, San Francisco, Orlando, and Tampa, airing the Tropical, Regional Mexican, Spanish Adult Contemporary, Top 40 and Urbano format genres. SBS also operates AIRE Radio Networks, a national radio platform of over 290 affiliated stations reaching 95% of the U.S. Hispanic audience. SBS also produces a nationwide roster of live concerts and events, and owns a stable of digital properties, including [LaMusica](#), a mobile app providing Latino-focused audio and video streaming content, and HitzMaker, a new-talent destination for aspiring artists. We also provide digital marketing solutions through our pure-play digital marketing department, Digidea and access to the digital realm where brands can explore a diverse range of engaging content, unlock valuable insights, and connect with our thriving podcast community. For more information, visit us online at [www.spanishbroadcasting.com](http://www.spanishbroadcasting.com).

## Forward Looking Statements

This press release, and oral statements made on the conference call in connection with the press release, contain certain forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Spanish Broadcasting System, Inc. intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and includes this statement for purposes of such safe harbor provisions. These forward-looking statements may involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results and performance in future periods to be materially different from any future results or performance suggested by the forward-looking statements in this press release. Although we believe the expectations reflected in such forward-looking statements are based upon reasonable assumptions, we can give no assurance that actual results will not differ materially from these expectations.

"Forward-looking" statements represent our expectations or beliefs, including, but not limited to, statements concerning our operations, economic performance, financial condition, growth and acquisition strategies, investments, and future operational plans. Without limiting the generality of the foregoing, words such as "may," "will," "expect," "believe," "anticipate," "intend," "forecast," "seek," "plan," "predict," "project," "could," "estimate," "might," "continue," "seeking" or the negative or other variations thereof or comparable terminology are intended to identify forward-looking statements. These statements, by their nature, involve substantial risks and uncertainties, certain of which are beyond our control. Additional risks and uncertainties that we are not aware of or that we currently deem immaterial also may impair our business. If any of the following risks actually occur, our business, financial condition and operating results could be materially adversely affected, and actual results may differ materially depending on a variety of important factors, including, but not limited to the following: we are highly leveraged and our substantial level of indebtedness or the inability to access our senior secured asset-based revolving credit facility could adversely affect our financial condition, prevent us from fulfilling our financial obligations; impact our ability to invest in the growth of our business or continue as a going concern, cause us to explore the sale of additional assets or adversely impact our ability to acquire additional assets; our substantial debt could make us more vulnerable to downturns in our business or in the general economy and increases in interest rates may limit our ability to withstand competitive pressures and may reduce our flexibility in responding to changing business and economic conditions; we have experienced net losses and may continue to experience net losses in the future, which may impact our cash flow, our ability to fulfill our financial obligations and our ability to raise capital may be adversely affected; we may be unable to successfully refinance our indebtedness on commercially acceptable terms, or at all; we face risks relating to our NOL carry-forwards since they became subject to limitations under Section 382 of the Internal Revenue Code of 1986 (IRC) due to the recapitalization of the Company in 2021; we face risks relating to our ability to realize the anticipated synergies and growth as a result of our recent start-up acquisitions in the Orlando and Tampa markets; our ability to sell our Television assets for the same purchase price and on as favorable terms under the terminated transaction with Voz Media, or at all, and our ability to consummate the purchase of the FM Radio Station in Houston within the contemplated extended timeline, or at all, and our ability to realize the anticipated benefits/synergies of those transactions; our industry is highly competitive, and we compete for advertising revenue with other broadcast stations, as well as other media, many operators of which have greater resources than we do, a large portion of our net revenue and operating income currently comes from our New York, Los Angeles and Miami markets, an economic downturn, increased competition or another significant negative event in any of these markets could reduce our revenues and results of operations more dramatically than other companies that do not depend as much on these markets; cancellations, reductions, delays and seasonality in advertising could adversely affect our net revenues; the success of our radio stations depends on the popularity and appeal of our content, which is difficult to predict; the loss of distribution agreements could materially adversely affect our results of operations; our business is affected by natural catastrophes that can disrupt our operations, by causing failure or destruction of satellites and transmitter facilities that we depend upon to distribute our programming; we may incur property and other losses that are not adequately covered by insurance; we must respond to rapid changes in technology, content creation, services and standards in order to remain competitive; cybersecurity risks could affect our operations and adversely affect our business; our business is dependent upon the performance of key employees, on-air talent and program hosts, cost increases in the retention of such employees and talent may adversely affect our profits; impairment of our goodwill and other intangible assets deemed to have indefinite useful lives can cause our net income or net loss to fluctuate significantly; piracy of our programming and other content, including digital and Internet piracy, may decrease revenue received from the exploitation of our programming and other content and adversely affect our business and profitability; damage to our brands or reputation could adversely affect our Company; our business may be adversely affected by legal or governmental proceedings brought by or on behalf of our employees; Raúl Alarcón, the Chairman of our Board of Directors and Chief Executive Officer, has majority voting control of our common stock and 100% voting control of our Series C preferred stock and this control may discourage or influence certain types of transactions or strategic initiatives; our deregistered stock's liquidity can be adversely affected because we are no longer required to report to the SEC and our stock continues to trade on the OTC Pink Market; there may not be sufficient liquidity in the market for our securities for investors to sell their securities; the market price of our common stock may be volatile; changes in U.S. communications laws or other regulations or the FCC's regulations and policies may have an adverse effect on our business or the cost with operating our business; proposed legislation would require radio broadcasters to pay increased royalties to record labels and recording artists; the FCC vigorously enforces its indecency and other program content rules against the broadcast industry, which could have a material adverse effect on our business; our businesses depend upon licenses issued by the FCC, and if any of those licenses were not renewed or we were to be out of compliance

with FCC regulations and policies, our business may be materially impaired; there is significant uncertainty regarding the FCC's media ownership rules, and any changes to such rules could restrict our ability to acquire broadcast stations; we may be adversely affected by comprehensive tax reform; and new or changing federal, state or international privacy legislation or regulation could hinder the growth of our internet business. We do not have any obligation to publicly update any forward-looking statements to reflect subsequent events or circumstances, except as required by law.

(Financial Tables Follow)

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Below are the Unaudited Condensed Consolidated Statements of Operations for the three months ended March 31, 2024 and 2023.

	Three Months Ended March 31,	
	2024	2023
Net revenue from continuing operations	\$ 32,324	\$ 34,547
Operating expenses from continuing operations:		
Operating expenses	24,905	27,730
Corporate expenses	2,516	3,484
Depreciation and amortization	575	561
Loss on the disposal of assets	—	9
Other operating (income) expenses	(259)	335
Operating income from continuing operations	4,587	2,428
Other expenses from continuing operations:		
Interest expense, net	(8,095)	(8,078)
Loss from continuing operations before income taxes	(3,508)	(5,650)
Income tax benefit	(1,057)	(1,844)
Loss from continuing operations	(2,451)	(3,806)
Income from discontinued operations, net of tax	830	1,212
Net loss	<u>\$ (1,621)</u>	<u>\$ (2,594)</u>
Class A weighted average common shares outstanding		
Basic and Diluted	6,210	5,042
Class B weighted average common shares outstanding		
Basic and Diluted	2,340	2,340
Series C (as converted) weighted average common shares outstanding		
Basic and Diluted	760	760
Class A, B and Series C (as converted) income (loss) from continuing operations per common share		
Basic and Diluted	<u>\$ (0.26)</u>	<u>\$ (0.47)</u>
Class A, B and Series C (as converted) income (loss) from discontinued operations per common share		
Basic and Diluted	<u>\$ 0.09</u>	<u>\$ 0.15</u>
Class A, B and Series C (as converted) net income (loss) per common share		
Basic and Diluted	<u>\$ (0.17)</u>	<u>\$ (0.32)</u>



**Non-GAAP Financial Measures**

Station Operating Income (“SOI”) and Adjusted Operating Income before Depreciation and Amortization, Gain (Loss) on the Disposal of Assets, Other Operating Expenses, excluding non-cash stock-based compensation (“Adjusted OIBDA”) are not a measure of performance or liquidity determined in accordance with Generally Accepted Accounting Principles (“GAAP”) in the United States. However, we believe that these measures are useful in evaluating our performance because they reflect measures of performance for our stations before considering costs and expenses related to our capital structure and dispositions. These measures are widely used in the broadcast industry to evaluate a company’s operating performance and are used by us for internal budgeting purposes and to evaluate the performance of our stations, locations, management, and consolidated operations. However, these measures should not be considered in isolation or as a substitute for Operating Income, Net Income, Cash Flows from Operating Activities, or any other measure used in determining our operating performance or liquidity that is calculated in accordance with GAAP. In addition, because Station Operating Income and Adjusted OIBDA are not calculated in accordance with GAAP, they are not necessarily comparable to similarly titled measures used by other companies.

Included below are unaudited tables, in thousands, that reconcile Station Operating Income and Adjusted OIBDA to Operating Income, which is the most directly comparable GAAP financial measure.

	<b>Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Net revenue from continuing operations</b>	<b>\$ 32,324</b>	<b>\$ 34,547</b>
Operating expenses	24,905	27,730
<b>Station Operating Income (SOI), a non-GAAP measure</b>	<b>\$ 7,419</b>	<b>\$ 6,817</b>
Corporate expenses, without stock-based compensation	2,453	3,422
<b>Adjusted OIBDA, a non-GAAP measure</b>	<b>\$ 4,966</b>	<b>\$ 3,395</b>
<i>Less amounts excluded from Adjusted OIBDA but included in operating income:</i>		
Stock-based compensation	63	62
Depreciation and amortization	575	561
Loss on the disposal of assets, net	—	9
Other operating (income) expenses	(259)	335
<b>Operating income from continuing operations</b>	<b>\$ 4,587</b>	<b>\$ 2,428</b>

**Selected Balance Sheet Data- Unaudited**  
(in thousands)

	<b>March 31,</b>	<b>December 31,</b>
	<b>2024</b>	<b>2023</b>
Cash and cash equivalents	\$ 9,638	\$ 6,167
Working capital*	38,761	40,626
Total assets	387,641	391,536
9.75% senior secured notes due 2026, net of deferred financing costs of \$3,577 at March 31, 2024 and \$4,054 at December 31, 2023	306,423	305,946
Total stockholder's deficit	\$ (23,909)	\$ (22,351)

\*Working capital is defined as the excess of total current assets over total current liabilities.

**Selected Statement of Cash Flows Data- Unaudited**  
(in thousands)

	Three Months Ended	
	March 31,	
	2024	2023
Capital expenditures	\$ 237	\$ 805
Net cash flows provided (used in) by operating activities	\$ (1,192)	\$ 207
Net cash flows provided by (used in) investing activities	(237)	2,995
Net cash flows provided by financing activities	4,900	—
Net increase in cash	\$ 3,471	\$ 3,202