



<i>(in thousands)</i>			%			%
Radio	\$ 45,363	\$ 42,150	8%	\$ 156,489	\$ 132,894	18%
Consolidated	\$ 48,850	\$ 45,993	6%	\$ 168,032	\$ 145,769	15%
Radio	\$ 15,635	\$ 23,721	(34%)	\$ 52,676	\$ 59,503	(11%)
Corporate	(4,088)	(5,798)	29%	(15,986)	(14,703)	(9%)
Television	(6%)	19%		(27%)	(20%)	

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

## Discussion and Results

“Our fourth quarter performance reflects continued consolidated revenue growth, spearheaded by our radio results”, commented Raúl Alarcón, Chairman and Chief Executive Officer of SBS. “In addition, 2022 marked another year of aggregate audience growth as well as a continued emphasis on the execution of our multimedia strategy through successful investments in our new Orlando and Tampa markets, our programming content, and our expanded digital offerings.

Our audio assets remain among the top-ranked in the key markets they serve (among all competitors in any language) and our digital engagement metrics are up significantly compared to last year. In terms of streaming, SBS radio lays claim to three of the Top Twenty Most-Streamed-Stations in the Nation, led by our flagship WSKQ-FM in New York City, the #1 over-the-air and streamed station in America. Our newly acquired Orlando/Tampa FM duopoly is outperforming expectations as we prepare to commence radio operations in Houston, the nation’s third largest Hispanic DMA.

Today, SBS has an established stronghold across the nation’s top Hispanic markets at a time when the Latino consumer is rapidly growing in influence and purchasing power. As Corporate America has always “followed the money”, likewise we remain bullish on monetizing our ability to serve what many are calling the “New American Mainstream” with over \$2 trillion in annual purchasing power.

This year we celebrate our 40th Anniversary of doing just that... and our momentum continues.”

**Three Months Ended Results**

For the three months ended December 31, 2022, our radio segment operating expenses were impacted by investments in our (i) newly acquired Orlando and Tampa start-up

Consolidated Adjusted OIBDA, a non-GAAP measure, totaled \$33.5 million compared to \$42.3 million, representing a decrease of \$8.8 million or 21%.

- Our radio segment Adjusted OIBDA decreased 11%, primarily due to the increase in operating expenses of approximately \$30.4 million which was partially offset by the increase in net revenue. Radio station operating expenses increased mainly due to increases in compensation & benefits, special events expenses, advertising & promotions, travel & entertainment, commissions, and the lack of production tax credits in the current year.
- Our television segment Adjusted OIBDA decreased 26%, due to the decrease in net revenue of \$1.3 million partially offset by a decrease in operating expenses of approximately \$0.7 million. Television station operating expenses decreased primarily due to net production costs and barter expense, partially offset by an increase in compensation & benefits.
- Our corporate expenses increased 9%, .-16(89(i)6.9(o)12(n))TJ 0 j 0.69)Tj,

**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), an 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 \$7,500,000 plus or minus certain customary proration and adjustments. On April 5, 2023, pursuant to the Purchase Agreement and the related escrow agreement, SBS SouthWest deposited \$375,000 into an escrow account. At closing, the Company will pay the remaining balance, net of the escrowed funds, with immediately available funds and instruct the escrow agent to release the escrow deposit to Radio One.

The Purchase Agreement contains customary representations, warranties covenants and closing conditions, including FCC regulatory approval, and the transaction is expected to close during the third quarter of 2023.

**Employee Retention Credit (ERC)**

The Employee Retention Credit (ERC) was established by the CARES Act, P.L. 116-136, in March 2020. It was intended to help businesses retain their workforces and avoid layoffs during the coronavirus pandemic. It provided a per employee credit to eligible businesses based on a percentage of qualified wages and health insurance benefits paid to employees. It worked as a refundable payroll tax credit claimed quarterly and provided reductions to payroll taxes or cash refunds.

The Company determined that it could claim a refundable tax credit against its share of Social Security tax equal to 70% of the qualified wages it paid to its employees after December 31, 2020 through May 27, 2021, limited to \$10,000 per employee per calendar quarter in 2021. The Company filed amendments to its payroll tax returns under various Forms 941-X for ERC eligible wages during the period of January 1, 2021 through May 27, 2021.

For the quarter and year ended December 31, 2021, engineering, programming, selling, general &

**Fourth Quarter 2022 Conference Call**

The Company will host a conference call to discuss its fourth quarter 2022 financial results on Wednesday, May 3, 2023, 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 Monday, May 1, 2023, so that we can review and consider your questions either as part of our prepared remarks or during the Q&A portion 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 Wednesday, May 17, 2023, 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: 8533653.

**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



(Financial Tables Follow)

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Below are the Unaudited Condensed Consolidated Statements of Operations for the quarter and year ended December 31, 2022 and 2021.



**Non-GAAP Financial Measures**

Adjusted Operating Income (Loss) before Depreciation and Amortization, Gain (loss) on the Disposal of Assets, Recapitalization Costs, and Other Operating (Income) Expense excluding non-cash stock-based compensation (“Adjusted OIBDA”) is not a measure of performance or liquidity determined in accordance with Generally Accepted Accounting Principles (“GAAP”) in the United States. However, we believe that this measure is useful in evaluating our performance because it reflects a measure of performance for our stations before considering costs and expenses related to our capital structure and dispositions. This measure is widely used in the broadcast industry to evaluate a company’s operating performance and is used by us for internal budgeting purposes and to evaluate the performance of our stations, segments, management, and consolidated operations. However, this measure 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 Adjusted OIBDA is not calculated in accordance with GAAP, it is not necessarily comparable to similarly titled measures used by other companies.

Included below are unaudited tables, in thousands, that reconcile Adjusted OIBDA to consolidated operating income (loss) and operating income (loss) for each segment, which are the most directly comparable GAAP financial measures.

	For the Quarter Ended December 31, 2022			
	Consolidated	Radio	Television	Corporate
<b>Adjusted OIBDA</b>	<b>\$ 11,335</b>	<b>15,635</b>	<b>(212)</b>	<b>(4,088)</b>
<i>Less amounts excluded from Adjusted OIBDA but included in operating income (loss):</i>				
Stock-based compensation	64	—	—	64
Depreciation and amortization	902	454	327	121
(Gain) loss on the disposal of assets, net	(432)	24	(79)	(377)
<b>Operating Income (Loss)</b>	<b>\$ 10,801</b>	<b>15,157</b>	<b>(460)</b>	<b>(3,896)</b>

	For the Quarter Ended December 31, 2021			
	Consolidated	Radio	Television	Corporate
<b>Adjusted OIBDA</b>	<b>\$ 18,637</b>	<b>23,721</b>	<b>714</b>	<b>(5,798)</b>
<i>Less amounts excluded from Adjusted OIBDA but included in operating income (loss):</i>				
Stock-based compensation	36	—	—	36
Depreciation and amortization	769	367	334	69
(Gain) loss on the disposal of assets, net	22	(7)	29	—
Other operating expense	89	120	20	(51)
<b>Operating Income (Loss)</b>	<b>\$ 17,721</b>	<b>23,241</b>	<b>332</b>	<b>(5,852)</b>

	Consolidated	Radio	Television	Corporate
<b>Adjusted OIBDA</b>	<b>\$ 33,526</b>	<b>52,676</b>	<b>(3,164)</b>	<b>(15,986)</b>
<i>Less amounts excluded from Adjusted OIBDA but included in operating income (loss):</i>				
Stock-based compensation	253	—	—	253
Depreciation and amortization	3,373	1,640	1,322	411
(Gain) loss on the disposal of assets, net	(453)	14	(90)	(377)
Other operating expense	40	40	—	—
<b>Operating Income (Loss)</b>	<b>\$ 30,313</b>	<b>50,982</b>	<b>(4,396)</b>	<b>(16,273)</b>

	Consolidated	Radio	Television	Corporate
<b>Adjusted OIBDA</b>	<b>\$ 42,287</b>	<b>59,503</b>	<b>(2,513)</b>	<b>(14,703)</b>
<i>Less amounts excluded from Adjusted OIBDA but included in operating income (loss):</i>				

