

REFINITIV

DELTA REPORT

10-Q

CUMULUS MEDIA INC

10-Q - MARCH 31, 2023 COMPARED TO 10-Q - SEPTEMBER 30, 2022

The following comparison report has been automatically generated

TOTAL DELTAS 667

█ CHANGES 168

█ DELETIONS 253

█ ADDITIONS 246

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark one)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **September 30, 2022** **March 31, 2023**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file **number**: 001-38108



Cumulus Media Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

82-5134717

(I.R.S. Employer
Identification No.)

780 Johnson Ferry Road NE

Suite 500

Atlanta,

GA

30342

(Address of Principal Executive Offices)

(ZIP Code)

(404) 949-0700

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Trading Symbol(s)

Name of each exchange on which registered

Class A common stock, par value \$0.0000001 per share

CMLS

Nasdaq Global Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T ([\\$232.405 of this chapter](#)) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large Accelerated Filer	<input type="checkbox"/>
Non-accelerated Filer	<input type="checkbox"/>
	<input checked="" type="checkbox"/>
	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

As of [October 21, 2022](#) [April 20, 2023](#), the registrant had [18,623,085](#) [18,166,011](#) outstanding shares of common stock consisting of: (i) [17,714,275](#) [17,853,970](#) shares of Class A common stock; (ii) [908,810](#) stock and [312,041](#) shares of Class B common stock, and no warrants issued and outstanding stock.

Cumulus Media Inc.

INDEX

[PART I. FINANCIAL INFORMATION](#)

[Item 1. Financial Statements \(Unaudited\)](#)

Condensed Consolidated Balance Sheets as of September 30, 2022	March 31, 2023	and December 31, 2021	December 31, 2022	3
Condensed Consolidated Statements of Operations For the Three and Nine Months Ended September 30, 2022	March 31, 2023	and 2021	2022	4
Condensed Consolidated Statements of Stockholders' Equity For the Nine Three Months Ended September 30, 2022	March 31, 2023	and 2021	2022	5
Condensed Consolidated Statements of Cash Flows For the Nine Three Months Ended September 30, 2022	March 31, 2023	and September 30, 2021	2022	76
Notes to Condensed Consolidated Financial Statements				87

[Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations](#)

Item 3. Quantitative and Qualitative Disclosures about Market Risk	21
--	--------------------

[Item 4. Controls and Procedures](#)

PART II. OTHER INFORMATION	2721
--	----------------------

Item 1. Legal Proceedings	2822
---	----------------------

Item 1A. Risk Factors	2823
---------------------------------------	----------------------

Item 6. Exhibits	2924
----------------------------------	----------------------

Signatures	3024
----------------------------	----------------------

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Cumulus Media Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

Dollars in thousands (except for share data)	Dollars in thousands (except for share data)	September 30, 2022	December 31, 2021	Dollars in thousands (except for share data)	March 31, 2023	December 31, 2022
Assets	Assets			Assets		
Current assets:	Current assets:			Current assets:		
Cash and cash equivalents	Cash and cash equivalents	\$ 118,149	\$ 177,028	Cash and cash equivalents	\$ 118,883	\$ 107,433
Accounts receivable, less allowance for doubtful accounts of \$6,296 and \$5,816 at September 30, 2022 and December 31, 2021, respectively		198,448	196,934	Accounts receivable, less allowance for doubtful accounts of \$6,094 and \$5,936 at March 31, 2023 and December 31, 2022, respectively		166,024 210,254
Accounts receivable, less allowance for doubtful accounts of \$6,094 and \$5,936 at March 31, 2023 and December 31, 2022, respectively						
Trade receivable	Trade receivable	2,416	1,898	Trade receivable	2,396	2,044
Prepaid expenses and other current assets	Prepaid expenses and other current assets	37,688	30,656	Prepaid expenses and other current assets	26,845	25,540
Total current assets	Total current assets	356,701	406,516	Total current assets	314,148	345,271
Property and equipment, net	Property and equipment, net	185,371	191,520	Property and equipment, net	187,706	190,107
Operating lease right-of-use assets	Operating lease right-of-use assets	137,022	142,937	Operating lease right-of-use assets	132,504	135,236
Broadcast licenses	Broadcast licenses	823,137	823,905	Broadcast licenses	807,544	807,544
Other intangible assets, net	Other intangible assets, net	121,476	138,390	Other intangible assets, net	110,070	115,751
Deferred income tax assets	Deferred income tax assets	4,071	6,356	Deferred income tax assets	4,293	5,972
Other assets	Other assets	7,528	7,758	Other assets	9,763	9,150
Total assets	Total assets	\$ 1,635,306	\$ 1,717,382	Total assets	\$ 1,566,028	\$ 1,609,031
Liabilities and Stockholders' Equity	Liabilities and Stockholders' Equity			Liabilities and Stockholders' Equity		
Current liabilities:	Current liabilities:			Current liabilities:		
Accounts payable and accrued expenses	Accounts payable and accrued expenses	\$ 109,412	\$ 109,669	Accounts payable and accrued expenses	\$ 106,588	\$ 114,826
Current portion of operating lease liabilities	Current portion of operating lease liabilities	28,376	28,395	Current portion of operating lease liabilities	27,953	27,970
Trade payable	Trade payable	3,162	1,750	Trade payable	3,244	2,812
Total current liabilities	Total current liabilities	140,950	139,814	Total current liabilities	137,785	145,608
Term loan due 2026, net of debt issuance costs of \$1,942 and \$2,404 at September 30, 2022 and December 31, 2021, respectively		341,789	353,836			
6.75% senior notes, net of debt issuance costs of \$3,476 and \$4,607 at September 30, 2022 and December 31, 2021, respectively		393,651	445,088			

Term loan due 2026, net of debt issuance costs of \$1,638 and \$1,785 at March 31, 2023 and December 31, 2022, respectively		Term loan due 2026, net of debt issuance costs of \$1,638 and \$1,785 at March 31, 2023 and December 31, 2022, respectively		333,064	336,667
6.75% senior notes, net of debt issuance costs of \$2,919 and \$3,138 at March 31, 2023 and December 31, 2022, respectively		6.75% senior notes, net of debt issuance costs of \$2,919 and \$3,138 at March 31, 2023 and December 31, 2022, respectively		375,508	377,789
Operating lease liabilities	Operating lease liabilities	121,992	125,638	Operating lease liabilities	116,874
Financing liabilities, net	Financing liabilities, net	214,738	219,649	Financing liabilities, net	211,394
Other liabilities	Other liabilities	12,310	13,860	Other liabilities	5,618
Deferred income tax liabilities				Deferred income tax liabilities	653
Total liabilities	Total liabilities	1,225,430	1,297,885	Total liabilities	1,180,896
Commitments and contingencies (Note 9)				Commitments and contingencies (Note 10)	
Commitments and contingencies (Note 10)				Stockholders' equity:	
Stockholders' equity:	Stockholders' equity:				
Class A common stock, par value \$0.0000001 per share; 100,000,000 shares authorized; 20,240,435 and 18,789,029 shares issued; 17,714,275 and 18,558,719 shares outstanding at September 30, 2022 and December 31, 2021, respectively		—	—	Class A common stock, par value \$0.0000001 per share; 100,000,000 shares authorized; 21,325,943 and 20,852,749 shares issued; 17,853,970 and 17,925,010 shares outstanding at March 31, 2023 and December 31, 2022, respectively	
Convertible Class B common stock, par value \$0.0000001 per share; 100,000,000 shares authorized; 908,810 and 1,964,764 shares issued and outstanding at September 30, 2022 and December 31, 2021, respectively		—	—	Convertible Class B common stock, par value \$0.0000001 per share; 100,000,000 shares authorized; 312,041 shares issued and outstanding at March 31, 2023 and December 31, 2022	
Treasury stock, at cost, 2,526,160 and 230,310 shares at September 30, 2022 and December 31, 2021, respectively		(33,599)	(2,977)	Treasury stock, at cost, 3,471,973 and 2,927,739 shares at March 31, 2023 and December 31, 2022, respectively	
Class A common stock, par value \$0.0000001 per share; 100,000,000 shares authorized; 21,325,943 and 20,852,749 shares issued; 17,853,970 and 17,925,010 shares outstanding at March 31, 2023 and December 31, 2022, respectively		—	—	Class A common stock, par value \$0.0000001 per share; 100,000,000 shares authorized; 21,325,943 and 20,852,749 shares issued; 17,853,970 and 17,925,010 shares outstanding at March 31, 2023 and December 31, 2022, respectively	
Convertible Class B common stock, par value \$0.0000001 per share; 100,000,000 shares authorized; 312,041 shares issued and outstanding at March 31, 2023 and December 31, 2022		—	—	Convertible Class B common stock, par value \$0.0000001 per share; 100,000,000 shares authorized; 312,041 shares issued and outstanding at March 31, 2023 and December 31, 2022	
Treasury stock, at cost, 3,471,973 and 2,927,739 shares at March 31, 2023 and December 31, 2022, respectively		(39,465)	(36,533)	Treasury stock, at cost, 3,471,973 and 2,927,739 shares at March 31, 2023 and December 31, 2022, respectively	

Additional paid-in-capital	Additional paid-in-capital	346,945	342,233	Additional paid-in-capital	349,588	348,462
Retained earnings	Retained earnings	96,530	80,241	Retained earnings	75,009	96,476
Total stockholders' equity	Total stockholders' equity	409,876	419,497	Total stockholders' equity	385,132	408,405
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity	\$ 1,635,306	\$ 1,717,382	Total liabilities and stockholders' equity	\$ 1,566,028	\$ 1,609,031

See accompanying notes to the unaudited condensed consolidated financial statements.

Cumulus Media Inc. Condensed Consolidated Statements of Operations (Unaudited)							
Dollars in thousands (except for share and per share data)	Dollars in thousands (except for share and per share data)	Three Months Ended September 30,		Nine Months Ended September 30,		Dollars in thousands (except for share and per share data)	Three Months Ended March 31,
		2022	2021	2022	2021		
Net revenue	Net revenue	\$ 233,463	\$ 237,716	\$ 702,236	\$ 664,163	Net revenue	\$ 205,692
Operating expenses:	Operating expenses:					Operating expenses:	\$ 232,032
Content costs	Content costs	83,284	87,279	257,793	260,309	Content costs	88,666
Selling, general and administrative expenses	Selling, general and administrative expenses	93,200	93,213	285,327	276,375	Selling, general and administrative expenses	91,325
Depreciation and amortization	Depreciation and amortization	14,034	13,223	41,403	39,796	Depreciation and amortization	14,684
Local marketing agreement fees	Local marketing agreement fees	13	373	31	1,062		13,554
Corporate expenses	Corporate expenses	14,468	16,017	48,451	55,426	Corporate expenses	14,015
Loss (gain) on sale or disposal of assets or stations	Loss (gain) on sale or disposal of assets or stations	41	(20,197)	(1,085)	(20,659)		18,169
Gain on sale or disposal of assets or stations	Gain on sale or disposal of assets or stations					Gain on sale or disposal of assets or stations	(7,009) (1,111)
Total operating expenses	Total operating expenses	205,040	189,908	631,920	612,309	Total operating expenses	204,657
Operating income	Operating income	28,423	47,808	70,316	51,854	Operating income	1,035
Non-operating expense:	Non-operating expense:					Non-operating expense:	14,803
Interest expense	Interest expense	(15,507)	(16,187)	(47,488)	(51,827)	Interest expense	(17,666)
Interest income	Interest income					Interest income	369 1

Gain on early extinguishment of debt	Gain on early extinguishment of debt				Gain on early extinguishment of debt
	279	—	1,876	—	617
Other expense, net	Other expense, net	(31)	(505)	(84)	(330)
Total non-operating expense, net	Total non-operating expense, net	(15,259)	(16,692)	(45,696)	(52,157)
Income (loss) before income taxes		13,164	31,116	24,620	(303)
Income tax expense		(4,624)	(3,668)	(8,331)	(57)
Net income (loss)	\$ 8,540	\$ 27,448	\$ 16,289	\$ (360)	
Basic and diluted income (loss) per common share (see Note 8, "Earnings (Loss) Per Share"):					
Basic: Earnings (Loss) per share	\$ 0.45	\$ 1.34	\$ 0.82	\$ (0.02)	
Diluted: Earnings (Loss) per share	\$ 0.45	\$ 1.32	\$ 0.81	\$ (0.02)	
Loss before income taxes					Loss before income taxes (15,663) (1,085)
Income tax (expense) benefit					Income tax (expense) benefit (5,804) 180
Net loss					Net loss \$(21,467) \$(905)
Basic and diluted loss per common share (see Note 9, "Loss Per Share"):					
Basic: Loss per share					Basic: Loss per share \$ (1.17) \$(0.04)
Diluted: Loss per share					Diluted: Loss per share \$ (1.17) \$(0.04)
Weighted average basic common shares outstanding	Weighted average basic common shares outstanding	18,881,161	20,508,135	19,937,331	20,467,969
Weighted average diluted common shares outstanding	Weighted average diluted common shares outstanding	18,903,347	20,717,018	20,233,038	20,467,969
					Weighted average basic common shares outstanding 18,286,168 20,627,765
					Weighted average diluted common shares outstanding 18,286,168 20,627,765

See accompanying notes to the unaudited condensed consolidated financial statements.

Cumulus Media Inc.
Condensed Consolidated Statements of Stockholders' Equity
(Uncaudited)

For the nine months ended September 30, 2022					
Dollars in thousands	Class A Common Stock	Class B Common Stock	Treasury Stock		

	Additional									
	Number of Shares	Par Value	Number of Shares	Par Value	Number of Shares	Par Value	Paid-In Capital	Retained Earnings	Total	
Balance at December 31, 2021	18,558,719	\$ —	1,964,764	\$ —	230,310	\$ (2,977)	\$ 342,233	\$ 80,241	\$ 419,497	
Net loss	—	—	—	—	—	—	—	(905)	(905)	
Shares returned in lieu of tax payments	—	—	—	—	137,857	(1,476)	—	—	(1,476)	
Issuance of common stock	168,083	—	—	—	—	—	—	—	—	
Stock based compensation expense	—	—	—	—	—	—	1,507	—	1,507	
Balance at March 31, 2022	18,726,802	\$ —	1,964,764	\$ —	368,167	\$ (4,453)	\$ 343,740	\$ 79,336	\$ 418,623	
Net income	—	—	—	—	—	—	—	8,654	8,654	
Shares returned in lieu of tax payments	—	—	—	—	18,642	(223)	—	—	(223)	
Conversion of Class B common stock	1,055,954	—	(1,055,954)	—	—	—	—	—	—	
Issuance of common stock	54,895	—	—	—	—	—	—	—	—	
Stock based compensation expense	—	—	—	—	—	—	1,687	—	1,687	
Treasury stock purchased under share repurchase program	(1,724,137)	—	—	—	1,724,137	(25,000)	—	—	(25,000)	
Balance at June 30, 2022	18,113,514	\$ —	908,810	\$ —	2,110,946	\$ (29,676)	\$ 345,427	\$ 87,990	\$ 403,741	
Net income	—	—	—	—	—	—	—	8,540	8,540	
Shares returned in lieu of tax payments	—	—	—	—	151	(1)	—	—	(1)	
Issuance of common stock	15,824	—	—	—	—	—	—	—	—	
Stock based compensation expense	—	—	—	—	—	—	1,518	—	1,518	
Treasury stock purchased under share repurchase program	(415,063)	—	—	—	415,063	(3,922)	—	—	(3,922)	
Balance at September 30, 2022	17,714,275	\$ —	908,810	\$ —	2,526,160	\$ (33,599)	\$ 346,945	\$ 96,530	\$ 409,876	

For the three months ended March 31, 2023 and 2022										
Dollars in thousands	Class A		Class B		Treasury		Additional			
	Common Stock	Common Stock	Common Stock	Common Stock	Stock	Stock	Paid-In Capital	Retained Earnings	Total	
Balance at December 31, 2022	17,925,010	\$ —	312,041	\$ —	2,927,739	\$ (36,533)	\$ 348,462	\$ 96,476	\$ 408,405	
Net loss	—	—	—	—	—	—	—	(21,467)	(21,467)	
Shares returned in lieu of tax payments	—	—	—	—	220,949	(1,421)	—	—	(1,421)	
Issuance of common stock	252,245	—	—	—	—	—	—	—	—	
Stock based compensation expense	—	—	—	—	—	—	1,126	—	1,126	
Treasury stock purchased under share repurchase program	(323,285)	—	—	—	323,285	(1,511)	—	—	(1,511)	
Balance at March 31, 2023	17,853,970	\$ —	312,041	\$ —	3,471,973	\$ (39,465)	\$ 349,588	\$ 75,009	\$ 385,132	
Balance at December 31, 2021	18,558,719	\$ —	1,964,764	\$ —	230,310	\$ (2,977)	\$ 342,233	\$ 80,241	\$ 419,497	
Net loss	—	—	—	—	—	—	—	(905)	(905)	
Shares returned in lieu of tax payments	—	—	—	—	137,857	(1,476)	—	—	(1,476)	
Issuance of common stock	168,083	—	—	—	—	—	—	—	—	
Stock based compensation expense	—	—	—	—	—	—	1,507	—	1,507	
Balance at March 31, 2022	18,726,802	\$ —	1,964,764	\$ —	368,167	\$ (4,453)	\$ 343,740	\$ 79,336	\$ 418,623	

For the nine months ended September 30, 2021										
Dollars in thousands	Class A		Class B		Treasury		Additional			
	Common Stock	Common Stock	Common Stock	Common Stock	Stock	Stock	Paid-In Capital	Retained Earnings	Total	
Balance at December 31, 2021	18,558,719	\$ —	1,964,764	\$ —	230,310	\$ (2,977)	\$ 342,233	\$ 80,241	\$ 419,497	

	Additional								
	Number of Shares	Par Value	Number of Shares	Par Value	Number of Shares	Par Value	Paid-In Capital	Retained Earnings	Total
Balance at December 31, 2020	17,961,734	\$ —	2,416,253	\$ —	174,222	\$ (2,414)	\$ 337,042	\$ 62,963	\$ 397,591
Net loss	—	—	—	—	—	—	—	(21,917)	(21,917)
Shares returned in lieu of tax payments	—	—	—	—	33,666	(315)	—	—	(315)
Conversion of Class B common stock	298,347	\$ —	(298,347)	\$ —	—	—	—	—	—
Issuance of common stock	67,635	\$ —	—	\$ —	—	—	—	—	—
Stock based compensation expense	—	—	—	—	—	—	1,057	—	1,057
Balance at March 31, 2021	18,327,716	\$ —	2,117,906	\$ —	207,888	\$ (2,729)	\$ 338,099	\$ 41,046	\$ 376,416
Net loss	—	—	—	—	—	—	—	(5,891)	(5,891)
Shares returned in lieu of tax payments	—	—	—	—	18,771	(208)	—	—	(208)
Conversion of Class B common stock	77,754	\$ —	(77,754)	\$ —	—	—	—	—	—
Issuance of common stock	40,173	\$ —	—	\$ —	—	—	—	—	—
Stock based compensation expense	—	—	—	—	—	—	1,358	—	1,358
Balance at June 30, 2021	18,445,643	\$ —	2,040,152	\$ —	226,659	\$ (2,937)	\$ 339,457	\$ 35,155	\$ 371,675
Net income	—	—	—	—	—	—	—	27,448	27,448
Conversion of Class B common stock	32,079	\$ —	(32,079)	\$ —	—	—	—	—	—
Issuance of common stock	17,100	\$ —	—	\$ —	—	—	—	—	—
Stock based compensation expense	—	—	—	—	—	—	1,372	—	1,372
Balance at September 30, 2021	18,494,822	\$ —	2,008,073	\$ —	226,659	\$ (2,937)	\$ 340,829	\$ 62,603	\$ 400,495

See accompanying notes to the unaudited condensed consolidated financial statements.

Cumulus Media Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

Dollars in thousands	Dollars in thousands	Nine Months Ended September 30,		Dollars in thousands	Three Months Ended March 31,	
		2022	2021		2023	2022
Cash flows from operating activities:	Cash flows from operating activities:			Cash flows from operating activities:		
Net income (loss)	\$ 16,289	\$ (360)				
Adjustments to reconcile net income (loss) to net cash provided by operating activities:						
Net loss				Net loss	\$ (21,467)	\$ (905)
Adjustments to reconcile net loss to net cash provided by operating activities:				Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	Depreciation and amortization	41,403	39,796	Depreciation and amortization	14,684	13,554
Amortization and write-off of debt issuance costs	Amortization and write-off of debt issuance costs	1,956	2,349	Amortization and write-off of debt issuance costs	480	553
Provision for doubtful accounts	Provision for doubtful accounts	2,640	67	Provision for doubtful accounts	815	676
Gain on sale or disposal of assets or stations	Gain on sale or disposal of assets or stations	(1,085)	(20,659)	Gain on sale or disposal of assets or stations	(7,009)	(1,111)

Gain on early extinguishment of debt	Gain on early extinguishment of debt	(1,876)	—	Gain on early extinguishment of debt	(617)	—
Deferred income taxes	Deferred income taxes	2,285	(434)	Deferred income taxes	1,679	(80)
Stock-based compensation expense	Stock-based compensation expense	4,712	3,787	Stock-based compensation expense	1,126	1,507
Non-cash interest expense on financing liabilities	Non-cash interest expense on financing liabilities	2,737	3,032	Non-cash interest expense on financing liabilities	982	765
Non-cash imputed rental income	Non-cash imputed rental income	(3,456)	(3,345)	Non-cash imputed rental income	(1,187)	(1,152)
Changes in assets and liabilities (excluding acquisitions and dispositions):	Changes in assets and liabilities (excluding acquisitions and dispositions):			Changes in assets and liabilities (excluding acquisitions and dispositions):		
Accounts receivable	Accounts receivable	(4,154)	701	Accounts receivable	43,415	16,194
Trade receivable	Trade receivable	(518)	(732)	Trade receivable	(352)	(656)
Prepaid expenses and other current assets	Prepaid expenses and other current assets	(7,028)	(8,034)	Prepaid expenses and other current assets	(1,504)	(14,811)
Operating leases, net	Operating leases, net	2,250	4,751	Operating leases, net	(337)	1,739
Other assets	Other assets	(293)	3,441	Other assets	(936)	359
Accounts payable and accrued expenses	Accounts payable and accrued expenses	(3,303)	8,348	Accounts payable and accrued expenses	(7,553)	6,446
Trade payable	Trade payable	1,412	346	Trade payable	432	1,290
Other liabilities	Other liabilities	545	165	Other liabilities	1,007	(46)
Net cash provided by operating activities	Net cash provided by operating activities	54,516	33,219	Net cash provided by operating activities	23,658	24,322
Cash flows from investing activities:	Cash flows from investing activities:			Cash flows from investing activities:		
Proceeds from sale of assets or stations	Proceeds from sale of assets or stations	1,986	33,497	Proceeds from sale of assets or stations	7,297	748
Asset acquisition		(131)	(7,000)			
Proceeds from insurance reimbursement	Proceeds from insurance reimbursement	1,908	866	Proceeds from insurance reimbursement	—	500
Capital expenditures	Capital expenditures	(18,560)	(21,988)	Capital expenditures	(7,372)	(5,269)
Net cash (used in) provided by investing activities		(14,797)	5,375			
Net cash used in investing activities				Net cash used in investing activities	(75)	(4,021)
Cash flows from financing activities:	Cash flows from financing activities:			Cash flows from financing activities:		
Repayment of borrowings under term loan	Repayment of borrowings under term loan	(12,509)	(113,171)	Repayment of borrowings under term loan	(3,564)	(12,509)

Repayments of borrowings under 6.75% senior notes	Repayments of borrowings under 6.75% senior notes	(50,692)	(3,141)	Repayments of borrowings under 6.75% senior notes	(2,069)	—
Repayments of borrowings under the 2020 revolving credit facility		—	(60,000)			
Proceeds from PPP loans		—	20,000			
Treasury stock purchases	Treasury stock purchases	(28,922)	—	Treasury stock purchases	(1,511)	—
Payment of contingent consideration	Payment of contingent consideration	(1,000)	—	Payment of contingent consideration	(2,000)	(1,000)
Shares returned in lieu of tax payments	Shares returned in lieu of tax payments	(1,700)	(523)	Shares returned in lieu of tax payments	(1,421)	(1,476)
Transaction costs for financing liability		—	(7)			
Proceeds from financing liability		—	2,635			
Repayments of financing liabilities	Repayments of financing liabilities	(3,586)	(3,030)	Repayments of financing liabilities	(1,387)	(1,185)
Repayments of finance lease obligations	Repayments of finance lease obligations	(189)	(201)	Repayments of finance lease obligations	(181)	(64)
Net cash used in financing activities	Net cash used in financing activities	(98,598)	(157,438)	Net cash used in financing activities	(12,133)	(16,234)
Decrease in cash and cash equivalents		(58,879)	(118,844)			
Increase in cash and cash equivalents				Increase in cash and cash equivalents	11,450	4,067
Cash and cash equivalents at beginning of period	Cash and cash equivalents at beginning of period	177,028	271,761	Cash and cash equivalents at beginning of period	107,433	177,028
Cash and cash equivalents at end of period	Cash and cash equivalents at end of period	\$ 118,149	\$ 152,917	Cash and cash equivalents at end of period	\$ 118,883	\$ 181,095

See accompanying notes to the unaudited condensed consolidated financial statements.

Notes to Condensed Consolidated Financial Statements (Unaudited)

1. Nature of Business, Interim Financial Data and Basis of Presentation

Cumulus Media Inc. (and its consolidated subsidiaries, except as the context may otherwise require, "Cumulus Media," "we," "us," "our," or the "Company") is a Delaware corporation, organized in 2018, and successor to a Delaware corporation with the same name that had been organized in 2002.

Nature of Business

Cumulus Media (NASDAQ: CMSL) is an audio-first media company delivering premium content to over a quarter billion people every month — wherever and whenever they want it. Cumulus Media engages listeners with high-quality local programming through 405 owned-and-operated radio stations across 865 markets; delivers nationally-syndicated sports, news, talk, and entertainment programming from iconic brands including the NFL, the NCAA, the Masters, CNN, the AP, the Academy of Country Music Awards, and many other world-class partners across more than 9,500 affiliated stations through Westwood One, the largest audio network in America; and inspires listeners through the Cumulus Podcast Network, its rapidly growing network of original podcasts that are smart, entertaining and thought-provoking. Cumulus Media provides advertisers with personal connections, local impact and national reach through broadcast and on-demand digital, mobile, social, and voice-activated platforms, as well as integrated digital marketing services, powerful influencers, full-service audio solutions, industry-leading research and insights, and live event experiences. Cumulus Media is the only audio media company to provide marketers with local and national advertising performance guarantees. For more information visit www.cumulusmedia.com.

Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. The Company has one reportable segment. In the opinion of management, the Company's

unaudited Condensed Consolidated Financial Statements include all adjustments of a normal recurring nature necessary for a fair statement of the results for the interim periods presented herein. The accompanying condensed consolidated balance sheet as of December 31, 2021 December 31, 2022, was derived from the Company's audited financial statements as of December 31, 2021 December 31, 2022, and our accompanying unaudited Condensed Consolidated Financial Statements as of September 30, 2022 March 31, 2023 and for the periods ended September 30, 2022 March 31, 2023 and 2021, 2022, have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 108 of Regulation S-X. Accordingly, certain information and note disclosures normally included in annual financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to those rules and regulations, although we believe that the disclosures made are adequate to make the information not misleading. The financial condition and results for the interim periods are not necessarily indicative of those that may be expected for any future interim period or for the full year. The unaudited Condensed Consolidated Financial Statements herein should be read in conjunction with our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2021 December 31, 2022.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. On an on-going basis, the Company evaluates its estimates, including significant estimates related to bad debts, intangible assets, income taxes, stock-based compensation, contingencies, litigation, valuation assumptions for impairment analysis, certain expense accruals, leases and, if applicable, purchase price allocations. The Company bases its estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances. We assessed these aforementioned estimates circumstances, and which form the basis for making judgments utilizing information reasonably available to us about the carrying values of assets and considering the unknown future impacts of the novel coronavirus disease ("COVID-19") pandemic. The business and economic uncertainty resulting liabilities that are not readily apparent from the COVID-19 pandemic has made such estimates and assumptions more difficult to calculate. While there was not a material impact to our key estimates as of and for the quarter ended September 30, 2022, our estimates may change based on the magnitude and duration of COVID-19, as well as other factors, sources. Actual amounts and results may differ materially from these estimates.

Comprehensive Income (Loss) Loss

Comprehensive income (loss) loss includes net income (loss) loss and certain items that are excluded from net income (loss) loss and recorded as a separate component of stockholders' equity. During the nine three months ended September 30, 2022 March 31, 2023 and 2021, 2022, the Company had no items of other comprehensive income (loss) loss and, therefore, comprehensive income (loss) loss does not differ from reported net income (loss) loss.

Assets Held for Sale

Long-lived assets to be sold are classified as held for sale in the period in which they meet all the criteria for the disposal of long-lived assets. As of September 30, 2022 and December 31, 2021 March 31, 2023, there were no assets held for sale. At December 31, 2022, assets held for sale were not material.

Supplemental Cash Flow Information

The following summarizes supplemental cash flow information to be read in conjunction with the unaudited Condensed Consolidated Statements of Cash Flows for the nine three months ended September 30, 2022 March 31, 2023 and 2021, 2022 (dollars in thousands):

	Nine Months Ended September 30,				Three Months Ended March 31,			
	2022		2021		2023		2022	
Supplemental disclosures of cash flow information:	Supplemental disclosures of cash flow information:				Supplemental disclosures of cash flow information:			
Interest paid	Interest paid	\$ 37,660	\$ 38,951		Interest paid	\$ 17,895	\$ 6,873	
Income taxes paid		7,536	5,348					
Income taxes refunded				Income taxes refunded		(27)	(82)	
Supplemental disclosures of non-cash flow information:	Supplemental disclosures of non-cash flow information:			Supplemental disclosures of non-cash flow information:				
Trade revenue	Trade revenue	\$ 35,362	\$ 27,349	Trade revenue	\$ 14,000	\$ 11,927		
Trade expense	Trade expense	34,898	26,819	Trade expense	13,655	11,171		
Noncash principal change in financing liabilities	Noncash principal change in financing liabilities	(428)	(54)	Noncash principal change in financing liabilities	(123)	(277)		

Recent Recently Adopted Accounting Standards Updates Pronouncements

ASU 2016-13 - *Financial Instruments - Credit Losses (Topic 326)* ("ASU 2016-13"). In June 2016, the FASB issued ASU 2016-13 which requires entities to estimate loss of financial assets measured at amortized cost, including trade receivables, debt securities and loans, using an expected credit loss model. The expected credit loss differs from the previous incurred losses model primarily in that the loss recognition threshold of "probable" has been eliminated and that expected loss should consider reasonable and supportable forecasts in addition to the previously considered past events and current conditions. Additionally, the guidance requires additional disclosures related to the further disaggregation of information related to the credit quality of financial assets by year of the asset's origination for as many as five years.

Entities must apply the standard provision as a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective. The standard was effective for public business entities, excluding Smaller Reporting Companies ("SRC"), for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. The standard is effective for SRCs for fiscal years beginning after December 15, 2022. Early adoption is permitted for annual periods beginning after December 15, 2018, and interim periods within those fiscal years. The Company does not expect the adoption of ASU 2016-13 to on January 1, 2023, did not have a significant impact on the Company's Condensed Consolidated Financial Statements.

2. Acquisitions and Dispositions

WFAS Sale

On February 6, 2023, the Company completed the sale of WFAS-FM, in Bronxville, NY (the "WFAS Sale") for \$7.3 million in cash. The Company recorded a gain on the WFAS Sale of \$7.1 million which is included in the Gain on sale or disposal of assets or stations financial statement line item of the Company's Condensed Consolidated Statements of Operations for the three months ended March 31, 2023.

3. Revenues

Revenue Recognition

Revenues are recognized when control of the promised goods or services are transferred to the customer, in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The following table presents revenues disaggregated by revenue source (dollars in thousands):

		Three Months Ended September 30,			
		2022		2021	
		Broadcast radio revenue:			
Spot		\$	124,813	\$	122,004
Network			52,261		63,873
Total broadcast radio revenue				177,074	185,877
Digital				34,910	33,337
Other				21,479	18,502
Net revenue		\$	233,463	\$	237,716
Nine Months Ended September 30,					
		2022		2021	
		Broadcast radio revenue:			
Spot	Spot	\$	355,735	\$	335,787
Network	Network		166,247		181,249
Total broadcast radio revenue	Total broadcast radio revenue		521,982		517,036
Digital	Digital		104,604		91,837
Other	Other		75,650		55,290
Net revenue	Net revenue	\$	702,236	\$	664,163
Three Months Ended March 31,					
		2023		2022	
		Broadcast radio revenue:			
Spot	Spot	\$	97,713	\$	103,913
Network	Network		50,297		65,273
Total broadcast radio revenue	Total broadcast radio revenue		148,010		169,186
Digital	Digital		32,089		31,893
Other	Other		25,593		30,953
Net revenue	Net revenue	\$	205,692	\$	232,032

Broadcast Radio Revenue

Most of our revenue is generated through the sale of terrestrial, broadcast radio spot advertising time to local, regional, and national clients. In addition to local, regional and national spot advertising revenues, we monetize our available inventory in the network sales marketplace. To effectively deliver network advertising for our customers, we distribute content and programming through third party affiliates to reach a broader national audience.

Digital Revenue

We generate digital advertising revenue from the sale of advertising and promotional opportunities across our podcasting network, streaming audio network, websites, mobile applications and digital marketing services. We operate streaming audio advertising networks in the U.S., including owned and operated internet radio simulcasted stations with either digital ad-inserted or simulcasted ads. We sell display ads across local radio station websites, mobile applications, and ancillary custom client microsites. We also sell premium advertising adjacent to, or embedded in, podcasts through our network of owned and distributed podcasts. In addition, we sell an array of local digital marketing services such as, email marketing, geo-targeted display and video solutions, website and microsite building and hosting, social media management, reputation management, listing management, and search engine marketing and optimization within our Cumulus C-Suite digital marketing solutions portfolio to existing and new advertisers.

Other Revenue

Other revenue includes trade and barter transactions, remote and event revenues, and non-advertising revenue. Non-advertising revenue represents fees received for licensing content, imputed tower rental income, satellite rental income, revenues from our digital commerce platform, and proprietary software licensing.

Trade and Barter Transactions

The Company provides commercial advertising inventory in exchange for goods and services used principally for promotional, sales, programming and other business activities. Programming barter revenue is derived from an exchange of programming content, to be broadcast on the Company's airwaves, for commercial advertising inventory, usually in the form of commercial placements inside the show exchanged. Trade and barter value is based upon management's estimate of the fair value of the products, supplies and services received. Trade and barter revenue is recorded when commercial spots are aired, in the same pattern as the Company's normal cash spot revenue is recognized.

Trade and barter expense is recorded when goods or services are consumed. For the three months ended **September 30, 2022** **March 31, 2023** and **2021**, amounts reflected under trade and barter transactions were: (1) trade and barter revenues of **\$11.2** **\$14.0** million and **\$8.6** **\$11.9** million, respectively; and (2) trade and barter expenses of **\$11.0** **\$13.7** million and **\$8.3** million, respectively. For the nine months ended **September 30, 2022** and **2021**, amounts reflected under trade and barter transactions were: (1) trade and barter revenues of **\$35.4** million and **\$27.3** million, respectively; and (2) trade and barter expenses of **\$34.9** million and **\$26.8** **\$11.2** million, respectively.

Capitalized Costs of Obtaining a Contract

The Company capitalizes certain incremental costs of obtaining contracts with customers which it expects to recover. For contracts with a customer life of one year or less, commissions are expensed as they are incurred. For new local direct contracts where the new and renewal commission rates are not commensurate, management capitalizes commissions and amortizes the capitalized commissions over the average customer life. These costs are recorded within selling, general and administrative expenses in our unaudited Condensed Consolidated Statements of Operations. As of **September 30, 2022** **March 31, 2023** and **December 31, 2021** **December 31, 2022**, the Company recorded an asset of approximately **\$7.2** **\$6.7** million and **\$6.7** million **\$7.2** million, respectively, related to the unamortized portion of commission expense on new local direct revenue.

3.

4. Intangible Assets

The gross carrying amount and accumulated amortization of the Company's intangible assets as of **September 30, 2022** **March 31, 2023** and **December 31, 2021** **December 31, 2022** are as follows (dollars in thousands):

Gross Carrying Amount	Indefinite-Lived			Definite-Lived			Total	
	FCC licenses	Trademarks	Affiliate and producer relationships	Broadcast advertising	Tower income contracts	Other		
Balance as of December 31, 2021	\$ 823,905	\$ 19,749	\$ 145,000	\$ 32,000	\$ 13,580	\$ 11,053	\$ 1,045,287	
Acquisition	—	131	—	—	—	—	—	131
Dispositions	(768)	—	—	—	—	—	—	(768)
Balance as of September 30, 2022	<u>\$ 823,137</u>	<u>\$ 19,880</u>	<u>\$ 145,000</u>	<u>\$ 32,000</u>	<u>\$ 13,580</u>	<u>\$ 11,053</u>	<u>\$ 1,044,650</u>	
Accumulated Amortization								
Balance as of December 31, 2021	\$ —	\$ —	\$ (43,598)	\$ (22,933)	\$ (5,408)	\$ (11,053)	\$ (82,992)	
Amortization Expense	—	—	(11,114)	(4,800)	(1,131)	—	(17,045)	
Balance as of September 30, 2022	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (54,712)</u>	<u>\$ (27,733)</u>	<u>\$ (6,539)</u>	<u>\$ (11,053)</u>	<u>\$ (100,037)</u>	
Net Book Value as of September 30, 2022	<u>\$ 823,137</u>	<u>\$ 19,880</u>	<u>\$ 90,288</u>	<u>\$ 4,267</u>	<u>\$ 7,041</u>	<u>\$ —</u>	<u>\$ 944,613</u>	

	Indefinite-Lived		Definite-Lived			Total
	FCC licenses	Trademarks	Affiliate and producer relationships	Broadcast advertising	Tower income contracts	
Gross Carrying Amount						
Balance as of December 31, 2022	\$ 807,544	\$ 19,852	\$ 145,000	\$ 32,000	\$ 13,548	\$ 1,017,944
Balance as of March 31, 2023	\$ 807,544	\$ 19,852	\$ 145,000	\$ 32,000	\$ 13,548	\$ 1,017,944
Accumulated Amortization						
Balance as of December 31, 2022	\$ —	\$ —	\$ (58,417)	\$ (29,333)	\$ (6,899)	\$ (94,649)
Amortization Expense	—	—	(3,704)	(1,600)	(377)	(5,681)
Balance as of March 31, 2023	\$ —	\$ —	\$ (62,121)	\$ (30,933)	\$ (7,276)	\$ (100,330)
Net Book Value as of March 31, 2023	\$ 807,544	\$ 19,852	\$ 82,879	\$ 1,067	\$ 6,272	\$ 917,614

The Company performs impairment testing of its indefinite-lived intangible assets annually as of December 31 of each year and on an interim basis if management believes events or circumstances indicate that its indefinite-lived intangible assets may be impaired. The Company reviews the carrying amount of its definite-lived intangible assets, primarily broadcast advertising and affiliate relationships, for recoverability prior to its annual impairment test and whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. The Company considered the current Events and expected future economic and market conditions surrounding COVID-19, and other potential indicators of impairment, and determined a triggering event had circumstances did not occurred which would necessitate any interim impairment tests during the three months ended September 30, 2022 March 31, 2023. We will continue to monitor changes in economic and market conditions, including those related to COVID-19, and if any events or circumstances indicate a triggering event has occurred, we will perform an interim impairment test of our intangible assets at the appropriate time.

4.5. Long-Term Debt

The Company's long-term debt consisted of the following as of September 30, 2022 March 31, 2023 and December 31, 2021 December 31, 2022 (dollars in thousands):

		September 30, 2022	December 31, 2021		March 31, 2023	December 31, 2022
Term Loan due 2026	Term Loan due 2026	\$ 343,731	\$ 356,240	Term Loan due 2026	\$ 334,702	\$ 338,452
6.75% Senior Notes	6.75% Senior Notes	397,127	449,695	6.75% Senior Notes	378,427	380,927
Less: Total unamortized debt issuance costs	Less: Total unamortized debt issuance costs	(5,418)	(7,011)	Less: Total unamortized debt issuance costs	(4,557)	(4,923)
Long-term debt, net	Long-term debt, net	\$ 735,440	\$ 798,924	Long-term debt, net	\$ 708,572	\$ 714,456

Refinanced Credit Agreement (Term Loan due 2026)

On September 26, 2019, the Company entered into a new credit agreement by and among Cumulus Media New Holdings Inc., a Delaware corporation and an indirect wholly-owned subsidiary of the Company ("Holdings"), Cumulus Media Intermediate, Inc. ("Intermediate"), a direct wholly-owned subsidiary of the Company, and certain other subsidiaries of the Company, Bank of America, N.A., as Administrative Agent, and the other banks and financial institutions party thereto as Lenders (the "Refinanced Credit Agreement"). Pursuant to the Refinanced Credit Agreement, the lenders party thereto provided Holdings and its subsidiaries that are party thereto as co-borrowers with a \$525.0 million senior secured Term Loan (the "Term Loan due 2026"), which was used to refinance the remaining balance of the then outstanding term loan (the "Term Loan due 2022").

Amounts outstanding under the Refinanced Credit Agreement bear interest at a per annum rate equal to (i) the London Inter-bank Offered Rate ("LIBOR") plus an applicable margin of 3.75%, subject to a LIBOR floor of 1.00%, or (ii) the Alternative Base Rate (as defined below) plus an applicable margin of 2.75%, subject to an Alternative Base Rate floor of 2.00%. The Alternative Base Rate is defined, for any day, as the per annum rate equal to the highest of (i) the Federal Funds Rate, as published by the Federal Reserve Bank of New York, plus 1/2 of 1.0%, (ii) the rate identified by Bank of America,

N.A. as its "Prime Rate" and (iii) one-month LIBOR plus 1.00%. As of September 30, 2022 March 31, 2023, the Term Loan due 2026 bore interest at a rate of 6.87% 8.58% per annum.

Amounts outstanding under the Term Loan due 2026 amortize in equal quarterly installments of 0.25% of the original principal amount of the Term Loan due 2026 with the balance payable on the maturity date. As a result of the mandatory prepayments discussed below, the Company is no longer required to make such quarterly

installments. The maturity date of the Term Loan due 2026 is March 26, 2026.

Debt discounts and issuance costs of \$5.1 million were capitalized and amortized over In March 2022, the term of Company was required by the Term Loan due 2026. As a result of certain of the Company's sales and dispositions and Excess Cash Flow (as defined in the Term Loan due 2026) to make a prepayment of \$12.5 million. In connection with the prepayment, the Company wrote-off \$0.1 million of debt issuance costs.

During the three months ended March 31, 2023, the Company was required by the provisions repaid \$3.8 million principal amount of the Term Loan due 2026. The repayment resulted in a gain on extinguishment of debt of \$0.2 million. The Term Loan due 2026 to prepay certain amounts was repaid with cash on hand. The Company wrote-off debt issuance costs as a result of the repayment, which were not material.

As of March 31, 2023, \$333.1 million remained outstanding under the facility. The Company made prepayments to the Term Loan due 2026, of approximately \$49.0 million, \$112.0 million and \$12.5 million, in September 2020, May 2021 and March 2022, respectively. In connection with the prepayments, the Company wrote-off approximately \$0.4 million, \$0.9 million and \$0.1 million net of debt issuance costs respectively.

As of September 30, 2022, \$1.6 million, and we were in compliance with all required covenants under the Refinanced Credit Agreement.

2020 Revolving Credit Agreement

On March 6, 2020, Holdings and certain of the Company's other subsidiaries, as borrowers (the "Borrowers"), and Intermediate Holdings entered into a \$100.0 million revolving credit facility (the "2020 Revolving Credit Facility") pursuant to a Credit Agreement (the "2020 Revolving Credit Agreement"), dated as of March 6, 2020, with Fifth Third Bank, as a lender and Administrative Agent and certain other lenders from time to time party thereto. On June 3, 2022, Holdings, the Borrowers and Intermediate Holdings entered into a fifth amendment (the "Amendment") to the 2020 Revolving Credit Agreement. The Amendment, among other things, (i) extended the maturity date of all borrowings under the 2020 Revolving Credit Facility to June 3, 2027, provided, that if any of the Company's indebtedness with an aggregate principal amount in excess of \$35.0 million is outstanding on the date that is 90 days prior to the stated maturity of such indebtedness (each such date, a "Springing Maturity Date"), then the maturity date of all borrowings under the 2020 Revolving Credit Facility will instead be such Springing Maturity Date, and (ii) modified certain terms of the 2020 Revolving Credit Facility to replace the relevant benchmark provisions from the London Interbank Offered Rate to the Secured Overnight Financing Rate ("SOFR"). Except as modified by the Amendment, the existing terms of the 2020 Revolving Credit Agreement remained in effect.

Availability under the 2020 Revolving Credit Facility is tied to a borrowing base equal to 85% of the accounts receivable of the Borrowers, subject to customary reserves and eligibility criteria and reduced by outstanding letters of credit. Under the 2020 Revolving Credit Facility, up to \$10.0 million of availability may be drawn in the form of letters of credit and up to \$10.0 million of availability may be drawn in the form of swing line loans.

Borrowings under the 2020 Revolving Credit Facility bear interest, at the option of Holdings, based on SOFR plus (i) 0.10% and (ii) a percentage spread of 1.00% or the Alternative Base Rate. The Alternative Base Rate is defined, for any day, as the per annum rate equal to the rate identified as the "Prime Rate" by Fifth Third Bank. In addition, the unused portion of the 2020 Revolving Credit Facility will be subject to a commitment fee of 0.25%.

The issuance of the 2020 Revolving Credit Agreement and the Amendment were evaluated in accordance with ASC 470-50-40 - *Debt-Modifications and Extinguishments-Derecognition*, to determine whether the transactions should be accounted for as a debt modification or extinguishment. At issuance of the 2020 Revolving Credit Agreement, the Company expensed approximately \$0.6 million of unamortized debt issuance costs related to the exiting lender in 2020. Costs incurred with third parties for issuance of the 2020 Revolving Credit Agreement totaled approximately \$0.4 million and were capitalized and amortized over the original term of the 2020 Revolving Credit Agreement. Costs incurred for the Amendment were not material. The total remaining unamortized debt issuance costs will be amortized over the new term.

On May 17, 2021, the Company completed a \$60.0 million repayment of the 2020 Revolving Credit Facility. As of September 30, 2022 March 31, 2023, \$4.7 million \$4.5 million was outstanding under the 2020 Revolving Credit Facility, representing letters of credit. As of September 30, 2022 March 31, 2023, the Company was in compliance with all required covenants under the 2020 Revolving Credit Agreement.

6.75% Senior Notes

On June 26, 2019, Holdings (the "Issuer"), and certain of the Company's other subsidiaries, entered into an indenture, dated as of June 26, 2019 (the "Indenture") with U.S. Bank National Association, as trustee, governing the terms of the Issuer's \$500,000,000 aggregate principal amount of 6.75% Senior Secured First-Lien Notes due 2026 (the "6.75% Senior Notes"). The 6.75% Senior Notes were issued on June 26, 2019. The net proceeds from the issuance of the 6.75% Senior Notes were applied to partially repay existing indebtedness under the Term Loan due 2022. In conjunction with the issuance of the 6.75% Senior Notes, debt issuance costs of \$7.3 million were capitalized and are being amortized over the term of the 6.75% Senior Notes.

As a result of certain of During the Company's sales and dispositions, three months ended March 31, 2023, the Company was required by the provisions of the indenture governing the 6.75% Senior Notes to offer to prepay certain amounts outstanding under the 6.75% Senior Notes. In connection with such offers, the Company accepted and cancelled \$47.2 million in aggregate principal amount of the 6.75% Notes in November 2020, and wrote-off approximately \$0.6 million of debt issuance costs related to the 6.75% Notes accepted and canceled in the transaction, and the Company accepted and cancelled approximately \$3.0 million in aggregate principal amount of the 6.75% Notes in May 2021.

During the three months ended September 30, 2022, the Company repurchased approximately \$2.8 million principal amount of the 6.75% Senior Notes. The repurchase resulted in a gain on extinguishment of debt of approximately \$0.3 \$0.4 million. The 6.75% Senior Notes were repurchased with cash on hand. The Company wrote-off debt issuance costs as a result of the repurchases, repayment, which were not material.

During the nine months ended September 30, 2022

As of March 31, 2023, the Company repurchased \$52.6 million principal amount of remained outstanding under the 6.75% Senior Notes. The repurchase resulted in a gain on extinguishment of debt of approximately \$1.9 million. The 6.75% Senior Notes, were repurchased with cash on hand. As a result of the repurchases, the Company wrote-off approximately \$0.5 million net of debt issuance costs.

As of September 30, 2022, \$2.9 million, and the Issuer was in compliance with all required covenants under the Indenture.

5.6. Fair Value Measurements

The following table shows the gross amount and fair value of the Term Loan due 2026 and 6.75% Senior Notes (dollars in thousands):

	September 30, 2022	December 31, 2021	March 31, 2023	December 31, 2022
Term Loan due 2026:	Term Loan due 2026:		Term Loan due 2026:	
Gross value	Gross value \$ 343,731	\$ 356,240	Gross value \$ 334,702	\$ 338,452
Fair value - Level 2	Fair value - Level 2 324,826	355,795	Fair value - Level 2 306,252	314,760
6.75% Senior Notes:	6.75% Senior Notes:		6.75% Senior Notes:	
Gross value	Gross value \$ 397,127	\$ 449,695	Gross value \$ 378,427	\$ 380,927
Fair value - Level 2	Fair value - Level 2 334,579	466,559	Fair value - Level 2 288,551	321,833

As of September 30, 2022 March 31, 2023, the Company used trading prices from a third party of 94.50% 91.50% and 84.25% 76.25% to calculate the fair value of the Term Loan due 2026 and the 6.75% Senior Notes, respectively.

As of December 31, 2021 December 31, 2022, the Company used trading prices from a third party of 99.88% 93.00% and 103.75% 84.50% to calculate the fair value of the Term Loan 2026 and the 6.75% Senior Notes, respectively.

The Company invests in governmental money market funds that have a maturity of three months or less at the date of purchase which are classified as cash equivalents. Due to the short maturity, the Company believes the carrying amount of the cash equivalents approximates fair value. The following table details the fair value measurements of the Company's investments as of March 31, 2023 and December 31, 2022 (dollars in thousands):

	Level 1		Level 2		Level 3	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
	Cash equivalents	\$ 57,157	\$ —	\$ —	\$ —	\$ —

7. Income Taxes

For the three months ended September 30, 2022 March 31, 2023, the Company recorded income tax expense of \$4.6 \$5.8 million on pre-tax book income loss of \$13.2 \$15.7 million, resulting in an effective tax rate of approximately 35.1% (37.1%). For the three months ended September 30, 2021 March 31, 2022, the Company recorded an income tax expense benefit of \$3.7 \$0.2 million on pre-tax book income loss of \$31.1 \$1.1 million, resulting in an effective tax rate of approximately 11.8%.

For the nine months ended September 30, 2022, the Company recorded an income tax expense of \$8.3 million on pre-tax book income of \$24.6 million, resulting in an effective tax rate of approximately 33.8%. For the nine months ended September 30, 2021, the Company recorded an income tax expense of \$0.1 million on pre-tax book loss of \$0.3 million, resulting in an effective tax rate of approximately (18.9)% 16.6%.

The difference between the effective tax rate and the federal statutory rate of 21.0% for the three and nine month periods ended September 30, 2022 March 31, 2023, primarily relates to valuation allowance recognized during the year and discussed further below, state and local income taxes, and the effect of certain statutory non-deductible expenses.

The difference between the effective tax rate and the federal statutory rate of 21.0% for the three month period ended March 31, 2022, primarily relates to state and local income taxes and the effect of certain statutory non-deductible expenses.

The differences between the effective tax rates and the federal statutory rate of 21.0% for the three and nine month periods ended September 30, 2021, are primarily driven by improved annual forecasted results, the effects of certain statutory non-deductible expenses including disallowed executive compensation and parking, and state and local income taxes.

The Company recognizes the benefits of deferred tax assets only as its assessment indicates that it is more likely than not that the deferred tax assets will be recognized in accordance with ASC Topic 740, *Income Taxes* ("ASC 740"). The Company reviews the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to utilize existing deferred tax assets. As of September 30, 2022 March 31, 2023, the Company has not recorded a valuation allowance since the Company continues to believe, on the basis of its evaluation, that against its deferred tax assets meet associated with disallowed interest expense carryforwards generated during the more likely than year since the full benefit of these assets may not be recognized standard for recovery. be realized. The Company will continue to monitor the valuation of deferred tax assets and tax liabilities, which requires judgment in assessing the likely future tax consequences of events that are recognized in the Company's financial statements or tax returns as well as judgment in projecting future profitability.

7.8. Stockholders' Equity

Common Stock

Pursuant to the Company's **amended and restated certificate of incorporation**, Charter, the Company is authorized to issue an aggregate of 300,000,000 shares of stock divided into three classes consisting of: (i) 100,000,000 shares of new Class A common stock; (ii) 100,000,000 shares of new Class B common stock; and (iii) 100,000,000 shares of preferred stock.

As of **September 30, 2022** **March 31, 2023**, the Company had **21,149,245** **21,637,984** aggregate issued shares of common stock, and **18,623,085** **18,166,011** outstanding shares consisting of: (i) **20,240,435** **21,325,943** issued shares and **17,714,275** **17,853,970** outstanding shares designated as Class A common stock; and (ii) **908,810** **312,041** issued and outstanding shares designated as Class B common stock.

Share Repurchase Program

On **May 3, 2022** **May 4, 2022**, the Company announced that the Board of Directors authorized a share repurchase program for up to \$50.0 million of outstanding Class A common stock. The share repurchase authorization expires November 3, 2023. Purchases made pursuant to the program may be made from time to time, at the Company's discretion, in the open market, through privately negotiated transactions or through other manners as permitted by federal securities laws including, but not limited to, 10b5-1 trading plans, accelerated stock repurchase programs and tender offers. The specific timing, manner, price and amount of any repurchases will be determined by the Company and may be subject to economic and market conditions, stock price, applicable legal requirements and other factors.

Under the share repurchase authorization, on May 6, 2022, the Company commenced a modified Dutch tender offer to purchase up to \$25.0 million of shares of its Class A common stock at a price not greater than \$16.50 and not less than \$14.50 per share of Class A common stock, to the tendering shareholder in cash, less any applicable withholding taxes and without interest (the "Offer"). The Offer expired on June 3, 2022. Through the Offer, the Company accepted for payment a total of 1,724,137 shares of the Company's Class A Common stock at a purchase price of \$14.50 per share, for an aggregate cost of approximately \$25.0 million, excluding fees and expenses. Additionally, the Company commenced open market purchases beginning in the third quarter of 2022. **The** During the three months ended **March 31, 2023**, the Company repurchased **415,063** **323,285** shares of **our** **its** outstanding Class A common stock in the open market at an average purchase price of **\$9.43** **\$4.65** per share for an aggregate cost of approximately **\$3.9** **\$1.5** million, excluding fees and expenses.

The Inflation Reduction Act of 2022, which was enacted into law on August 16, 2022, imposed a nondeductible 1% excise tax on the net value of certain stock repurchases made after December 31, 2022. Excise tax is owed on the fair market value of stock repurchases reduced by the fair market value of stock issued and a \$1,000,000 de minimis exception. No excise tax was owed on shares repurchased during the three months ended March 31, 2023.

Shares repurchased were accounted for as treasury stock and the total cost of shares repurchased was recorded as a reduction of stockholder's equity in the unaudited condensed consolidated balance sheet. Subsequent to the open market purchases, **\$21.1** **\$16.7** million of the Company's outstanding Class A common stock remained available for repurchase under the share repurchase program as of **September 30, 2022** **March 31, 2023**.

8. Earnings (Loss) 9. Loss Per Share

The Company calculates basic **earnings (loss) loss** per share by dividing net **earnings (loss) loss** by the weighted average number of common shares outstanding, including warrants. The Company calculates diluted **earnings (loss) per share** by dividing net **earnings (loss) by the weighted average number of common shares outstanding** plus the dilutive effect of all outstanding share-based awards, including stock options and restricted stock awards. Warrants generally are included in basic and diluted shares outstanding because there is little or no consideration paid upon exercise of the Warrants.

For the three and nine months ended **September 30, 2022**, potential common shares related to the Company's stock options were excluded from the diluted share count as the exercise price of the options was greater than the average market price of the common shares **March 31, 2023** and as such, their effect would have been anti-dilutive.

For the three months ended **September 30 2021**, potential common shares related to the Company's stock options were excluded from the diluted share count as the exercise price of the options was greater than the average market price of the common shares and, as such, their effect would have been anti-dilutive.

For the nine months ended **September 30 2021**, due to **2022**, given the net loss attributable to the Company common stockholders, potential common shares that would have caused dilution, such as employee stock options, restricted shares and other stock awards, were excluded from the diluted share count because their effect would have been anti-dilutive.

The Company applies the two-class method to calculate **earnings (loss) loss** per share. Because both classes share the same rights in dividends and losses, **earnings (loss) loss** per share (basic and diluted) is the same for both classes.

The following tables present the basic and diluted **earnings (loss) loss** per share, and the reconciliation of basic to diluted weighted average common shares (in thousands):

	Three Months Ended March 31,	
	2023	2022
Basic Loss Per Share		
Numerator:		
Undistributed net loss from operations	\$ (21,467)	\$ (905)
Basic net loss attributable to common shares	\$ (21,467)	\$ (905)
Denominator:		
Basic weighted average shares outstanding	<u>18,286</u>	20,628
Basic undistributed net loss per share attributable to common shares	<u>\$ (1.17)</u>	\$ (0.04)
Diluted Loss Per Share		
Numerator:		
Undistributed net loss from operations	\$ (21,467)	\$ (905)
Diluted net loss attributable to common shares	\$ (21,467)	\$ (905)
Denominator:		
Basic weighted average shares outstanding	<u>18,286</u>	20,628
Effect of dilutive options and restricted share units	<u>—</u>	—
Diluted weighted average shares outstanding	<u>18,286</u>	20,628
Diluted undistributed net loss per share attributable to common shares	<u>\$ (1.17)</u>	\$ (0.04)
Basic Earnings Per Share		
Numerator:		
Undistributed net income from operations	\$ 8,540	\$ 27,448
Basic net income attributable to common shares	\$ 8,540	\$ 27,448
Denominator:		
Basic weighted average shares outstanding	<u>18,881</u>	20,508
Basic undistributed net income per share attributable to common shares	<u>\$ 0.45</u>	\$ 1.34
Diluted Earnings Per Share		
Numerator:		
Undistributed net income from operations	\$ 8,540	\$ 27,448
Diluted net income attributable to common shares	\$ 8,540	\$ 27,448
Denominator:		
Basic weighted average shares outstanding	<u>18,881</u>	20,508
Effect of dilutive options and restricted share units	<u>22</u>	209
Diluted weighted average shares outstanding	<u>18,903</u>	20,717
Diluted undistributed net income per share attributable to common shares	<u>\$ 0.45</u>	\$ 1.32
Basic Earnings (Loss) Per Share		
Numerator:		
Undistributed net earnings (loss) from operations	\$ 16,289	\$ (360)
Denominator:		
Basic weighted average shares outstanding	<u>18,881</u>	20,508
Basic undistributed net earnings (loss) per share attributable to common shares	<u>\$ 0.86</u>	\$ (0.02)
Nine Months Ended September 30,		
	2022	2021
Basic Earnings (Loss) Per Share		
Numerator:		
Undistributed net earnings (loss) from operations	\$ 16,289	\$ (360)

Basic net earnings (loss) attributable to common shares	\$ 16,289	\$ (360)
Denominator:		
Basic weighted average shares outstanding	19,937	20,468
Basic undistributed net earnings (loss) per share attributable to common shares		
	\$ 0.82	\$ (0.02)
Diluted Earnings (Loss) Per Share		
Numerator:		
Undistributed net earnings (loss) from operations	\$ 16,289	\$ (360)
Diluted net earnings (loss) attributable to common shares	\$ 16,289	\$ (360)
Denominator:		
Basic weighted average shares outstanding	19,937	20,468
Effect of dilutive options and restricted share units	296	—
Diluted weighted average shares outstanding	20,233	20,468
Diluted undistributed net earnings (loss) per share attributable to common shares	\$ 0.81	\$ (0.02)

9.10. Commitments and Contingencies

Future Commitments

During the first quarter of 2023, the Company finalized certain vendor contracts that were being negotiated at December 31, 2022. As of March 31, 2023, the Company's future minimum payments under non-cancelable contracts in excess of one year consist of the following (dollars in thousands):

	Non-Cancelable Contracts
2023	\$ 93,845
2024	120,801
2025	101,723
2026	43,418
2027	10,500
Thereafter	—
Total	\$ 370,287

As of March 31, 2023, the Company believes that it will meet all such minimum obligations.

Legal Proceedings

We have been, and expect in the future to be, a party to various legal proceedings, arbitrations, investigations or claims. In accordance with applicable accounting guidance, we record accruals for certain of our outstanding legal proceedings when it is probable that a liability will be incurred and the amount of loss can be reasonably estimated. We evaluate, at least on a quarterly basis, developments in our legal proceedings or other claims that could affect the amount of any accrual, as well as any developments that would result in a loss contingency to become both probable and reasonably estimable. When a loss contingency is not both probable and reasonably estimable, we do not record a loss accrual.

If the loss (or an additional loss in excess of any prior accrual) is reasonably possible and material, we disclose an estimate of the possible loss or range of loss, if such estimate can be made. The assessment of whether a loss is probable or reasonably possible and whether the loss or a range of loss is estimable, involves a series of judgments about future events, which are often complex. Even if a loss is reasonably possible, we may not be able to estimate a range of possible loss, particularly where (i) the damages sought are substantial or indeterminate, (ii) the proceedings are in the early stages, (iii) the matters involve novel or unsettled legal theories or a large number of parties, or (iv) various factors outside of our control could lead to vastly different outcomes. In such cases, there is considerable uncertainty regarding the ultimate resolution of such matters, including the amount of any possible loss.

In August 2015, the Company was named as a defendant in two separate putative class action lawsuits relating to its use and public performance of certain sound recordings fixed prior to February 15, 1972 (the "Pre-1972 Recordings"). The first suit, ABS Entertainment, Inc., et. al. v. Cumulus Media Inc., was filed in the U.S. District Court for the Central District of California and alleged, among other things, copyright infringement under California state law, common law conversion, misappropriation and unfair business practices. On December 11, 2015, this suit was dismissed without prejudice. The second suit, ABS Entertainment, Inc. v. Cumulus Media Inc., was filed in the U.S. District Court for the Southern District of New York and claimed, among other things, common law copyright infringement and unfair competition. The New York lawsuit was stayed pending an appeal before the Second Circuit involving unrelated third parties over whether the owner of a Pre-1972 Recording holds an exclusive right to publicly perform that recording under New York common law. On December 20, 2016, the New York Court of Appeals held that New York common law does not recognize a right of public performance for owners of pre-1972 Recordings. As a result of that case (to which Cumulus Media Inc. was not a party) the New York case against Cumulus Media Inc.,

was voluntarily dismissed by the plaintiffs on April 3, 2017. On October 11, 2018, President Trump signed the Orrin G. Hatch-Bob Goodlatte Music Modernization Act (the "Music Modernization Act") into law, which, among other things, provides new federal rights going forward for owners of pre-1972 Recordings. The question of whether public performance rights existed for Pre-1972 recordings under state law prior to the enactment of the new Music Modernization Act

was, until recently, still being litigated by other parties in California. On August 23, 2021, the Ninth Circuit held in the matter of Flo & Eddie, Inc. v. Sirius XM Radio Inc., Case No. 17-55844, that no such public performance right exists under California law. But those plaintiffs continue to litigate a separate case, Flo & Eddie, Inc. v. Pandora Media, LLC, which is pending in the Central District of California (2:14-cv-07648-PSG-GJS). Pandora attempted to dismiss the lawsuit under California's anti-SLAPP statute, claiming that its broadcast of Pre-1972 recordings constituted speech on an issue of public interest and that Flo & Eddie's claims have no merit. The district court denied the motion on the ground that the anti-SLAPP statute did not cover Pandora's conduct, and the Ninth Circuit affirmed the denial (No. 20-56134). Following the Ninth Circuit's direction to consider expedited motion practice on the legal validity of Flo & Eddie's claims given the Ninth Circuit's decision in the Sirius XM Radio case, the district court set a schedule for Pandora to file a motion for summary judgement, judgment, which is not likely to be decided until Q1 2023 at the earliest, was subsequently filed and remains pending. The Company is not a party to that case and is not yet able to determine what effect that proceeding will have, if any, on its financial position, results of operations or cash flows.

On February 24, 2020, two individual plaintiffs filed a putative class action lawsuit against the Company in the U.S. District Court for the Northern District of Georgia (the "District Court") alleging claims regarding the Cumulus Media Inc. 401(k) Plan (the "Plan"). The case alleges that the Company breached its fiduciary duties under the Employee Retirement Income Security Act of 1974 in the oversight of the Plan, principally by selecting and retaining certain investment options despite their higher fees and costs than other available investment options, causing participants in the Plan to pay excessive recordkeeping fees, and by failing to monitor other fiduciaries. The plaintiffs seek unspecified damages on behalf of a class of Plan participants from February 24, 2014 through the date of any judgment, judgment (the "Class Period"). On May 28, 2020, the Company filed a motion to dismiss the complaint. On December 17, 2020, the District Court entered an order dismissing one of the individual plaintiffs and all claims against the Company except those that arose on or after February 24, 2019 (i.e., one year prior to the filing of the Complaint). On March 24, 2021, the Company filed a motion seeking dismissal of all remaining claims. On October 15, 2021, the District Court entered an order granting the Company's motion and dismissing all remaining claims. On November 12, 2021, one of the plaintiffs filed a notice of appeal to the U.S. Court of Appeals for the Eleventh Circuit. The Company intends While the appeal was pending, the parties agreed to vigorously defend itself in a settlement, that if granted final approval, will resolve all of the appeal. The October 15, 2021 order and/or the pending appeal may not foreclose other parties from asserting similar claims against the Company. The Company on a class-wide basis for the entire Class Period, and will provide the Company a general release. On February 16, 2023, the District Court granted preliminary approval of the settlement and set a final fairness hearing for July 10, 2023. If the settlement is currently unable approved by the District Court, the Company will make a settlement payment for which the Company expects to reasonably estimate what effect the ultimate outcome might have, if any, on its financial position, results of operations or cash flows. insurance carriers.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

The following discussion of our financial condition and results of operations should be read in conjunction with the other information contained in this Form 10-Q, including our unaudited Condensed Consolidated Financial Statements and notes thereto included elsewhere in this Form 10-Q, as well as our audited Consolidated Financial Statements and notes thereto contained in our Annual Report on Form 10-K for the year ended December 31, 2021 December 31, 2022 ("2021 2022 Form 10-K"), filed with the Securities and Exchange Commission ("SEC"). This discussion, as well as various other sections of this Form 10-Q, contain and refer to statements that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Act of 1995 and other federal securities laws. Such statements are any statements other than those of historical fact and relate to our intent, belief or current expectations primarily with respect to our future operating, financial and strategic performance. Any such forward-looking statements are not guarantees of future performance and may involve risks and uncertainties. These risks and uncertainties include, but are not limited to, those described in Part I, "Item 1A. Risk Factors," and elsewhere in our 2021 2022 Form 10-K and elsewhere in this report, and those described from time to time in other reports filed with the SEC from time to time. Actual results may differ from those contained in or implied by the forward-looking statements as a result of various factors, including the evolving and uncertain nature of the COVID-19 pandemic and its impact on the Company, the media industry, and the economy in general. factors. For more information, see "Cautionary Statement Regarding Forward-Looking Statements" in our 2021 2022 Form 10-K.

Recent Events and Company Outlook

As a result of the COVID-19 pandemic, we experienced a disruption in events we produce, including the cancellation or postponement of certain sporting events in 2020, which had an adverse impact on our financial and operating results. While these events have mostly returned, our financial and operating results may continue to be impacted as a result of the COVID-19 pandemic and the impact of governmental regulations and other restrictions that have been or may be imposed in response to the ongoing pandemic. Our business could also continue to be impacted by the disruption from COVID-19 and resulting adverse changes in advertising customers and consumer behavior. In light of the evolving health, social, economic and business environment, governmental regulations or mandates, and business disruptions that could occur in response to the COVID-19

pandemic, the impact that COVID-19 could have on our business, financial condition and operating results remains highly uncertain. We will continue to monitor the ongoing COVID-19 pandemic and will consider actions as deemed necessary.

Non-GAAP Financial Measure

From time to time, we utilize certain financial measures that are not prepared or calculated in accordance with GAAP to assess our financial performance and profitability. Consolidated adjusted earnings before interest, taxes, depreciation, and amortization ("Adjusted EBITDA") is the financial metric by which management and the

chief operating decision maker allocate resources of the Company and analyze the performance of the Company as a whole. Management also uses this measure to determine the contribution of our core operations to the funding of our corporate resources utilized to manage our operations and our non-operating expenses including debt service and acquisitions. In addition, consolidated Adjusted EBITDA is a key metric for purposes of calculating and determining our compliance with certain covenants contained in our Refinanced Credit Agreement.

In determining Adjusted EBITDA, we exclude the following from net loss: interest, taxes, depreciation, amortization, stock-based compensation expense, gain or loss on the exchange, sale, or disposal of any assets or stations or early extinguishment of debt, local marketing agreement fees, restructuring costs, expenses relating to acquisitions and divestitures, non-routine legal expenses incurred in connection with certain litigation matters, and non-cash impairments of assets, if any.

Management believes that Adjusted EBITDA, although not a measure that is calculated in accordance with GAAP, is commonly employed by the investment community as a measure for determining the market value of a media company and comparing the operational and financial performance among media companies. Management has also observed that Adjusted EBITDA is routinely utilized to evaluate and negotiate the potential purchase price for media companies. Given the relevance to our overall value, management believes that investors consider the metric to be extremely useful.

Adjusted EBITDA should not be considered in isolation or as a substitute for net loss, operating income, (loss), cash flows from operating activities or any other measure for determining our operating performance or liquidity that is calculated in accordance with GAAP. In addition, Adjusted EBITDA may be defined or calculated differently by other companies, and comparability may be limited.

Consolidated Results of Operations

Analysis of Consolidated Results of Operations

The following selected data from our unaudited Condensed Consolidated Statements of Operations and other supplementary data provides information that our management believes is relevant to an assessment and understanding of our results of operations and financial condition. This discussion should be read in conjunction with our unaudited Condensed Consolidated Statements of Operations and notes thereto appearing elsewhere herein (dollars in thousands).

	Three Months Ended September 30,			2022 vs 2021 Change	
	2022		2021		
				\$	%
STATEMENT OF OPERATIONS DATA:					
Net revenue	\$ 233,463	\$ 237,716		\$ (4,253)	(1.8)%
Content costs	83,284	87,279		(3,995)	(4.6)%
Selling, general and administrative expenses	93,200	93,213		(13)	— %
Depreciation and amortization	14,034	13,223		811	6.1 %
Local marketing agreement fees	13	373		(360)	(96.5)%
Corporate expenses	14,468	16,017		(1,549)	(9.7)%
Loss (gain) on sale or disposal of assets or stations	41	(20,197)		20,238	N/A
Operating income	28,423	47,808		(19,385)	(40.5)%
Interest expense	(15,507)	(16,187)		680	(4.2)%
Gain on early extinguishment of debt	279	—		279	N/A
Other expense, net	(31)	(505)		474	(93.9)%
Income before income taxes	13,164	31,116		(17,952)	(57.7)%
Income tax expense	(4,624)	(3,668)		(956)	26.1 %
Net income	\$ 8,540	\$ 27,448		\$ (18,908)	(68.9)%
KEY NON-GAAP FINANCIAL METRIC:					
Adjusted EBITDA	\$ 46,567	\$ 45,828		\$ 739	1.6 %

	Nine Months Ended September 30,			Three Months Ended March 31,		
	2022		2021	2023		2022
			Change			2023 vs 2022 Change

		\$		%				\$		%	
STATEMENT OF OPERATIONS DATA:	STATEMENT OF OPERATIONS DATA:					STATEMENT OF OPERATIONS DATA:					
Net revenue	Net revenue	\$702,236	\$664,163	\$38,073	5.7 %	Net revenue	\$205,692	\$232,032	\$(26,340)	(11.4)%	
Content costs	Content costs	257,793	260,309	(2,516)	(1.0)%	Content costs	88,666	91,325	(2,659)	(2.9)%	
Selling, general and administrative expenses	Selling, general and administrative expenses	285,327	276,375	8,952	3.2 %	expenses	94,301	95,292	(991)	(1.0)%	
Depreciation and amortization	Depreciation and amortization	41,403	39,796	1,607	4.0 %	amortization	14,684	13,554	1,130	8.3 %	
Local marketing agreement fees		31	1,062	(1,031)	(97.1)%						
Corporate expenses	Corporate expenses	48,451	55,426	(6,975)	(12.6)%	Corporate expenses	14,015	18,169	(4,154)	(22.9)%	
Gain on sale or disposal of assets or stations	Gain on sale or disposal of assets or stations	(1,085)	(20,659)	19,574	(94.7)%	stations	(7,009)	(1,111)	(5,898)	530.9 %	
Operating income	Operating income	70,316	51,854	18,462	35.6 %	income	1,035	14,803	(13,768)	(93.0)%	
Interest expense	Interest expense	(47,488)	(51,827)	4,339	(8.4)%	expense	(17,666)	(15,865)	(1,801)	11.4 %	
Interest income						Interest income		369	1	368	36,800.0 %
Gain on early extinguishment of debt	Gain on early extinguishment of debt	1,876	—	1,876	N/A	Gain on early extinguishment of debt	617	—	617	N/A	
Other expense, net	Other expense, net	(84)	(330)	246	(74.5)% net	Other expense, net	(18)	(24)	6	(25.0)%	
Income (loss) before income taxes		24,620	(303)	24,923	N/A						
Income tax expense		(8,331)	(57)	(8,274)	N/A						
Loss before income taxes						Loss before income taxes		(15,663)	(1,085)	(14,578)	1343.6 %
Income tax (expense) benefit						Income tax (expense) benefit		(5,804)	180	(5,984)	N/A
Net income (loss)		\$ 16,289	\$ (360)	\$ 16,649	N/A						
Net loss						Net loss		\$(21,467)	\$ (905)	\$(20,562)	2272.0 %
KEY NON-GAAP FINANCIAL METRIC: Adjusted EBITDA	KEY NON-GAAP FINANCIAL METRIC: Adjusted EBITDA	\$123,265	\$ 91,617	\$ 31,648	34.5 %	KEY NON-GAAP FINANCIAL METRIC: Adjusted EBITDA	\$ 10,329	\$ 31,213	\$(20,884)	(66.9)%	

Three Months Ended September 30, 2022 March 31, 2023 compared to the Three Months Ended September 30, 2021 March 31, 2022

Net Revenue

Net revenue for the three months ended **September 30, 2022** **March 31, 2023**, compared to net revenue for the three months ended **September 30, 2021** **March 31, 2022**, decreased \$4.3 million, \$26.3 million, or 1.8% 11.4%. Network advertising revenue and spot revenues decreased \$11.6 million resulting primarily from current macroeconomic conditions. This decrease was offset by a \$3.0 million increase in other revenue from higher trade \$15.0 million and barter revenues which continued to

rebound from COVID-19 economic recovery. In addition, spot broadcast advertising increased \$2.8 million \$6.2 million, respectively, as a result of current macroeconomic conditions. Other revenues decreased \$5.4 million of which \$8.3 million was the result of a fee received in 2022 from the early termination of a revenue agreement that was partially offset by a \$2.9 million increase from higher political revenue driven by election cycle seasonality barter, event and digital revenue increased \$1.5 million from expansion of streaming activity and growth of digital marketing services, trade revenues.

Content Costs

Content costs consist of all costs related to the licensing, acquisition and development of our programming. Content costs for the three months ended September 30, 2022 March 31, 2023, compared to content costs for the three months ended September 30, 2021 March 31, 2022, decreased \$4.0 million, \$2.7 million, or 4.6% 2.9%, primarily as a result of lower broadcast rights from renewed contracts and a reduction in syndicated programming costs attributed to lower revenue, reduced network revenue, which was partially offset by higher spend on third party station inventory and increased digital costs.

Selling, General & Administrative Expenses

Selling, general and administrative expenses consist of expenses related to our sales efforts and distribution of our content across our platform and overhead in our markets. Selling, general and administrative expenses for the three months ended September 30, 2022 March 31, 2023, compared to selling, general and administrative expenses for the three months ended September 30, 2021 March 31, 2022, remained generally consistent, decreased \$1.0 million or 1.0%. Selling, general and administrative expenses decreased as a result of an operational realignment of certain support functions to corporate and from lower incentive costs compensation attributed to a decline in network broadcast revenue, revenue and reduced research expense resulting from a contract renewal. These decreases were mostly offset by higher trade barter and barter trade expenses which grew in line with the related revenue.

Depreciation and Amortization

Depreciation and amortization expense for the three months ended September 30, 2022 March 31, 2023 as compared to depreciation and amortization expense for the three months ended September 30, 2021 March 31, 2022 increased \$0.8 million \$1.1 million, or 8.3%, or 6.1%, primarily as a result of additional fixed assets placed into service and additional amortization from an asset acquisition in the third quarter of 2021, service.

Local Marketing Agreement Fees

Local marketing agreements ("LMA") are those agreements under which one party programs a radio station on behalf of another party. LMA fees for the three months ended September 30, 2022 compared to LMA fees for the three months ended September 30, 2021 decreased \$0.4 million, or 96.5%, as the Company ended the LMA for KQOB-FM on December 31, 2021.

Corporate Expenses

Corporate expenses consist primarily of compensation and related costs for our executive, accounting, finance, human resources, information technology and legal personnel, and fees for professional services. Professional services are principally comprised of audit, consulting and outside legal services. Corporate expenses also include restructuring costs and stock-based compensation expense. Corporate expenses for the three months ended September 30, 2022 March 31, 2023 compared to corporate expenses for the three months ended September 30, 2021 March 31, 2022 decreased \$1.5 million, \$4.2 million, or 9.7% 22.9%. Corporate expenses decreased primarily as a result of lower incentive compensation professional fees, and employee benefit costs. These decreases were partially offset by higher salary costs resulting from an operational realignment of certain support functions to corporate.

Loss (Gain) on Sale or Disposal of Assets or Stations

The loss on sale or disposal of assets or stations for the three months ended September 30, 2022 was primarily related to fixed asset disposals.

For the three months ended September 30, 2021, the Company recognized a \$20.8 million gain on the sale of certain land, a single-story building and certain related equipment in the Company's Nashville, TN market ("Nashville Sale") to a third party.

Interest Expense

Total interest expense for the three months ended September 30, 2022, decreased \$0.7 million, or 4.2%, when compared to the total interest expense for the three months ended September 30, 2021. The below table details the components of our interest expense by debt instrument (dollars in thousands):

	Three Months Ended September 30,		
	2022	2021	\$ Change
Term Loan due 2026	\$ 4,629	\$ 4,324	\$ 305
6.75% Senior Notes	6,741	7,589	(848)
Financing liabilities	3,668	3,489	179
Other, including debt issuance cost amortization and write-off	469	785	(316)

Interest expense	\$ 15,507	\$ 16,187	\$ (680)
------------------	-----------	-----------	----------

Income Tax Expense

For the three months ended September 30, 2022, the Company recorded an income tax expense of \$4.6 million on pre-tax book income of \$13.2 million, resulting in an effective tax rate of approximately 35.1%. For the three months ended September 30, 2021, the Company recorded an income tax expense of \$3.7 million on pre-tax book income of \$31.1 million, resulting in an effective tax rate of approximately 11.8%.

The difference between the effective tax rate and the federal statutory rate of 21.0% for the three month period ended September 30, 2022, primarily relates to state and local income taxes and the effect of certain statutory non-deductible expenses.

The difference between the effective tax rate and the federal statutory rate of 21.0% for the three month period ended September 30, 2021, is primarily driven by improved annual forecasted results, the effects of certain statutory non-deductible expenses including disallowed executive compensation Company performance and parking, and state and local income taxes.

Adjusted EBITDA

As a result of the factors described above, Adjusted EBITDA of \$46.6 million for the three months ended September 30, 2022, compared to the Adjusted EBITDA of \$45.8 million for the three months ended September 30, 2021, increased approximately \$0.7 million.

Nine Months Ended September 30, 2022 compared to the Nine Months Ended September 30, 2021

Net Revenue

Net revenue for the nine months ended September 30, 2022, compared to net revenue for the nine months ended September 30, 2021, increased \$38.1 million, or 5.7%. Other revenue increased \$20.4 million, of which \$12.1 million was from higher barter, event and remote revenues which continued to rebound from COVID-19 economic recovery and \$8.3 million was the result of a fee received from the early termination of a revenue agreement. Spot broadcast revenue grew \$19.9 million from local and national advertising which were strengthened by COVID-19 economic recovery and higher political revenue driven by election cycle seasonality. Digital advertising revenue increased \$12.8 million from increased podcasting, higher digital marketing services and expansion of streaming activity. These increases were partially offset by \$15.0 million of lower network advertising revenue resulting primarily from current macroeconomic conditions.

Content Costs

Content costs consist of all costs related to the licensing, acquisition and development of our programming. Content costs for the nine months ended September 30, 2022, compared to content costs for the nine months ended September 30, 2021, decreased \$2.5 million, or 1.0%. Content costs decreased primarily from lower broadcast rights resulting from renewed contracts and lower personnel costs. These decreases were partially offset by higher digital costs, which grew in line with digital advertising revenue.

Selling, General & Administrative Expenses

Selling, general and administrative expenses consist of expenses related to our sales efforts and distribution of our content across our platform and overhead in our markets. Selling, general and administrative expenses for the nine months ended September 30, 2022, compared to selling, general and administrative expenses for the nine months ended September 30, 2021, increased \$9.0 million, or 3.2%. Selling, general and administrative expenses increased primarily from trade, remote, event, and talent expenses related to the continued return of sporting and other events, higher bad debt expense and higher local and digital commission expenses driven by local and digital advertising revenue growth. These increases were partially offset by a reduction of selling, general and administrative expenses resulting from an operational realignment of certain support functions to corporate and lower incentive compensation.

Depreciation and Amortization

Depreciation and amortization expense for the nine months ended September 30, 2022 as compared to depreciation and amortization expense for the nine months ended September 30, 2021 increased \$1.6 million, or 4.0%, as a result of additional amortization from an asset acquisition in the third quarter of 2021.

Local Marketing Agreement Fees

Local marketing agreements ("LMA") are those agreements under which one party programs a radio station on behalf of another party. LMA fees for the nine months ended September 30, 2022 compared to LMA fees for the nine months ended September 30, 2021 decreased \$1.0 million or 97.1% as the Company ended the LMA for KQOB-FM on December 31, 2021.

Corporate Expenses

Corporate expenses consist primarily of compensation and related costs for our executive, accounting, finance, human resources, information technology and legal personnel, and fees for professional services. Professional services are principally comprised of audit, consulting and outside legal services. Corporate expenses also include reduced restructuring costs and stock-based compensation expense. Corporate expenses for the nine months ended September 30, 2022 compared to corporate expenses for the nine months ended September 30, 2021 decreased \$7.0 million or 12.6%. The decrease was primarily the result of a legal settlement with the NCAA in 2021, lower incentive compensation, and lower employee benefit costs, which were partially offset by higher salary costs resulting from an operational realignment of certain support functions to corporate costs.

Gain on Sale or Disposal of Assets or Stations

The gain on sale or disposal of assets or stations for the nine months ended September 30, 2022 March 31, 2023 was primarily related to the sale of WFAS-FM.

The gain on sale or disposal of assets or stations for the three months ended March 31, 2022 was primarily driven by insurance proceeds received from hurricane damage and the sale of certain assets and stations which were partially offset by fixed asset dispositions and the surrender of a broadcast license.

For the nine months ended September 30, 2021, the Company recognized a \$20.8 million gain on the Nashville Sale and insurance proceeds received for 2020 from hurricane damage which were slightly offset by fixed asset dispositions.

damage.

Interest Expense

Total interest expense for the nine months ended September 30, 2022 March 31, 2023, decreased \$4.3 million, increased \$1.8 million, or 8.4% 11.4%, when compared to the total interest expense for the nine months ended September 30, 2021 March 31, 2022. The below table details the components of our interest expense by debt instrument (dollars in thousands):

	Term Loan due 2026	Nine Months Ended September 30,			\$ Change	Three Months Ended March 31,			\$ Change
		2022	2021			2023	2022		
Term Loan due 2026	Term Loan due 2026	\$ 12,996	\$ 15,029	\$ (2,033)		\$ 7,109	\$ 4,241	\$ 2,868	
6.75% Senior Notes	6.75% Senior Notes	21,699	22,868	(1,169)		6,425	7,588	(1,163)	
2020 Revolving Credit Facility	Financing liabilities	—	274	(274)		3,620	3,506	114	
Financing liabilities	Financing liabilities	11,066	10,583	483		512	530	(18)	
Other, including debt issuance cost amortization and write-off	Other, including debt issuance cost amortization and write-off	1,727	3,073	(1,346)		Interest expense	\$ 17,666	\$ 15,865	\$ 1,801
Interest expense	Interest expense	\$ 47,488	\$ 51,827	\$ (4,339)					

Income Tax Expense (benefit)

For the nine months ended September 30, 2022 March 31, 2023, the Company recorded an income tax expense of \$8.3 million on pre-tax book income of \$24.6 million, resulting in an effective tax rate of approximately 33.8%. For the nine months ended September 30, 2021, the Company recorded an income tax expense of \$0.1 \$5.8 million on pre-tax book loss of \$0.3 \$15.7 million, resulting in an effective tax rate of approximately (18.9) (37.1)%. For the three months ended March 31, 2022, the Company recorded an income tax benefit of \$(0.2) million on pre-tax book loss of \$1.1 million, resulting in an effective tax rate of approximately 16.6%.

The difference between the effective tax rate and the federal statutory rate of 21.0% for the nine months ended September 30, 2022 March 31, 2023, primarily relates to valuation allowance recognized during the year, state and local income taxes, and the effect of certain statutory non-deductible expenses.

The difference between the effective tax rate and the federal statutory rate of 21.0% for the nine months ended September 30, 2021 March 31, 2022, is primarily driven by improved annual forecasted results, relates to state and local income taxes and the effects of certain statutory non-deductible expenses including disallowed executive compensation and parking, and state and local income taxes.

Adjusted EBITDA

As a result of the factors described above, Adjusted EBITDA of \$123.3 million \$10.3 million for the nine months ended September 30, 2022 March 31, 2023, compared to the Adjusted EBITDA of \$91.6 million \$31.2 million for the nine months ended September 30, 2021 March 31, 2022, increased \$31.6 million, decreased approximately \$20.9 million.

Reconciliation of Non-GAAP Financial Measure

The following tables reconcile Adjusted EBITDA to net income (loss) loss (the most directly comparable financial measure calculated and presented in accordance with GAAP) as presented in the accompanying unaudited Condensed Consolidated Statements of Operations (dollars in thousands):

Three Months Ended September 30,

	2022	2021
GAAP net income	\$ 8,540	\$ 27,448
Income tax expense	4,624	3,668
Non-operating expenses, including net interest expense	15,538	16,692
Local marketing agreement fees	13	373
Depreciation and amortization	14,034	13,223
Stock-based compensation expense	1,518	1,372
Loss (gain) on sale or disposal of assets or stations	41	(20,197)
Gain on early extinguishment of debt	(279)	—
Restructuring costs	2,297	2,474
Non-routine legal expenses	59	589
Franchise taxes	182	186
Adjusted EBITDA	<u>\$ 46,567</u>	<u>\$ 45,828</u>

	Nine Months Ended September 30,		Three Months Ended March 31,	
	2022	2021	2023	2022
GAAP net income (loss)	\$ 16,289	\$ (360)		
Income tax expense	8,331	57		
GAAP net loss			GAAP net loss	\$ (21,467)
Income tax expense (benefit)			Income tax expense (benefit)	\$ 5,804
Non-operating expenses, including net interest expense	Non-operating expenses, including net interest expense	47,572	Non-operating expenses, including net interest expense	17,315
Local marketing agreement fees	31	1,062		15,888
Depreciation and amortization	Depreciation and amortization	41,403	Depreciation and amortization	14,684
Stock-based compensation expense	Stock-based compensation expense	4,712	Stock-based compensation expense	1,126
Gain on sale or disposal of assets or stations	Gain on sale or disposal of assets or stations	(1,085)	Gain on sale or disposal of assets or stations	(7,009)
Gain on early extinguishment of debt	Gain on early extinguishment of debt	(1,876)	Gain on early extinguishment of debt	(617)
Restructuring costs	Restructuring costs	6,819	Restructuring costs	291
Non-routine legal expenses	Non-routine legal expenses	523	Non-routine legal expenses	3
Franchise taxes	Franchise taxes	546	Franchise taxes	199
Adjusted EBITDA	<u>Adjusted EBITDA</u>	<u>\$ 123,265</u>	<u>Adjusted EBITDA</u>	<u>\$ 10,329</u>
		<u>\$ 91,617</u>		<u>\$ 31,213</u>

Liquidity and Capital Resources

As of September 30, 2022 March 31, 2023, we had \$118.1 \$118.9 million of cash and cash equivalents. The Company generated cash from operating activities of \$54.5 million \$23.7 million and \$33.2 \$24.3 million for the nine three months ended September 30, 2022 March 31, 2023, and September 30, 2021 March 31, 2022, respectively.

Historically, our principal sources of funds have been cash flow from operations and borrowings under credit facilities in existence from time to time. Our cash flow from operations remains subject to factors such as fluctuations in advertising media preferences and changes in demand caused by shifts in population, station listenership, demographics and audience tastes, some of which may be exacerbated by the COVID-19 pandemic. tastes. In addition, our cash flows may be affected if customers are not

able to pay, or delay payment of, accounts receivable that are owed to us, which risks may also be exacerbated in challenging or otherwise uncertain economic periods. In certain periods, the Company has experienced reductions in revenue and profitability from prior historical periods because of market revenue pressures and cost escalations built into certain contracts. Notwithstanding this, we believe that our national platform and extensive station portfolio representing a broad diversity in format, listener base, geography, and advertiser base help us maintain a more stable revenue stream by reducing our dependence on any single demographic, region or industry. However, future reductions in revenue or profitability are possible and could have a material adverse effect on the Company's business, results of operations, financial condition or liquidity.

Although We are a party to many contractual obligations involving commitments to make payments to third parties. These obligations impact our cash flows from operations short-term and long-term liquidity and capital resource needs. Certain contractual obligations are subject reflected on the Consolidated Balance Sheet as of March 31, 2023, while others are considered future commitments. Our contractual obligations primarily consist of long-term debt and related interest payments, commitments under non-cancelable operating lease agreements, and employment and talent contracts. In addition to a number of risks and uncertainties, our contractual obligations, we anticipate expect that our primary anticipated uses of liquidity in 2023 will be to fund our working capital, make interest and tax payments, fund capital expenditures, execute our strategic plan and maintain operations.

Although there remains uncertainty related to the current macroeconomic conditions on the Company's future results, we believe our business model, our current cash on hand, future cash expected to be generated from operations, reserves and borrowings from time to time under the Refinanced Revolving Credit Agreement (or any such other credit facility as may be in place at the appropriate time) will help us manage our business and potentially, external equity or debt financing, will be sufficient to fund our operations, any debt service obligations, estimated capital expenditures, anticipated liquidity needs for at least the next twelve months and share or debt repurchases, the foreseeable future thereafter.

We continually monitor our capital structure, and from time to time, we have evaluated, and expect that we will continue to evaluate, opportunities to obtain additional capital from the divestiture of radio stations or other assets, when we determine that it would further our strategic and financial objectives, as well as from the issuance of equity and/or debt securities, in each case, subject to market and other conditions in existence at that time. There can be no assurance that any such financing would be available on commercially acceptable terms, or at all. Future volatility in the capital and credit markets, caused by COVID-19 the current macroeconomic conditions or otherwise, may increase costs associated with issuing debt instruments or affect our ability to access those markets. In addition, it is possible that our ability to access the capital and credit markets could be limited at a time when we would like, or need, to do so, which could have an adverse impact on our ability to refinance maturing debt on terms or at times acceptable to us, or at all, and/or react to changing economic and business conditions.

Refinanced Credit Agreement

On September 26, 2019, we entered into a Refinanced Credit Agreement to refinance the principal balance outstanding on the Term Loan due 2022. See Part I, "Item 1 — Financial Statements — Notes to unaudited Condensed Consolidated Financial Statements — Note 45 — Long-Term Debt," for further discussion of the Refinanced Credit Agreement.

2020 Revolving Credit Agreement

On March 6, 2020, we entered into a \$100.0 million Revolving Credit Facility pursuant to the 2020 Revolving Credit Agreement and replaced our 2018 Revolving Credit Agreement. On which was amended on June 3, 2022, we entered into an amendment (the "Amendment") to our 2020 Revolving Credit Agreement to, among other things, (i) extended the maturity date of all borrowings under the 2020 Revolving Credit Facility to June 3, 2027, provided, that if any of the Company's indebtedness with an aggregate principal amount in excess of \$35.0 million is outstanding on the date that is 90 days prior to the stated maturity of such indebtedness (each such date, a "Springing Maturity Date"), then the maturity date of all borrowings under the 2020 Revolving Credit Facility will instead be such Springing Maturity Date, and (ii) modify certain terms of the 2020 Revolving Credit Facility to replace the relevant benchmark provisions from the London Interbank Offered Rate to the Secured Overnight Financing Rate. Except as modified by the Amendment, the existing terms of the 2020 Revolving Credit Agreement remained in effect. See Part I, "Item 1 — Financial Statements — Notes to unaudited Condensed Consolidated Financial Statements — Note 45 — Long-Term Debt," for further discussion of our 2020 Revolving Credit Agreement.

6.75% Senior Notes

On June 26, 2019, we entered into an Indenture under which the 6.75% Senior Notes were issued. See Part I, "Item 1 — Financial Statements — Notes to unaudited Condensed Consolidated Financial Statements — Note 45 — Long-Term Debt," for further discussion of the Indenture and the 6.75% Senior Notes.

Share Repurchase Program

On May 3, 2022 May 4, 2022, the Company announced that the Board of Directors authorized a share repurchase program for up to \$50.0 million of outstanding Class A common stock. The share repurchase authorization expires November 3, 2023. Purchases made pursuant to the program may be made from time to time, at the Company's discretion, in the open market, through privately negotiated transactions or through other manners as permitted by federal securities laws including, but not limited to, 10b5-1 trading plans, accelerated stock repurchase programs and tender offers. The specific timing, manner, price and amount of any repurchases will be determined by the Company and may be subject to economic and market conditions, stock price, applicable legal requirements and other factors.

Under the share repurchase authorization, on May 6, 2022, the Company commenced a modified Dutch tender offer to purchase up to \$25.0 million of shares of its Class A common stock at a price not greater than \$16.50 and not less than \$14.50 per share of Class A common stock, to the tendering shareholder in cash, less any applicable withholding taxes and without interest (the "Offer"). The Offer expired on June 3, 2022. Through the Offer, the Company accepted for payment a total of 1,724,137 shares of the Company's Class A Common stock at a purchase price of \$14.50 per share, for an aggregate cost of approximately \$25.0 million, excluding fees and expenses. Additionally, the Company commenced open market purchases beginning in the third quarter of 2022. The During the three months ended March 31, 2023, the Company repurchased 415,063 \$323,285 shares of our outstanding Class A common stock in the open market at an average purchase price of \$9.43 \$4.65 per share for an aggregate cost of approximately \$3.9 \$1.5 million, excluding fees and expenses.

Shares The Inflation Reduction Act of 2022, which was enacted into law on August 16, 2022, imposed a nondeductible 1% excise tax on the net value of certain stock repurchases made after December 31, 2022. Excise tax is owed on the fair market value of stock repurchases reduced by the fair market value of stock issued and a \$1,000,000 de minimis exception. No excise tax was owed on shares repurchased during the three months ended March 31, 2023.

Shares repurchased were accounted for as treasury stock and the total cost of shares repurchased was recorded as a reduction of stockholder's equity in the unaudited condensed consolidated balance sheet. Subsequent to the open market purchases, \$21.1 \$16.7 million of the Company's outstanding Class A common stock remained available for repurchase under the share repurchase program as of September 30, 2022 March 31, 2023.

Cash Flows Provided by Operating Activities

		Nine Months Ended September 30,		Three Months Ended March 31,	
		2022	2021	2023	2022
(Dollars in thousands)	(Dollars in thousands)			(Dollars in thousands)	
Net cash provided by operating activities	Net cash provided by operating activities	\$ 54,516	\$ 33,219	\$ 23,658	\$ 24,322

Net cash provided by operating activities for the nine three months ended September 30, 2022 March 31, 2023 compared to the nine three months ended September 30, 2021 increased primarily March 31, 2022 decreased slightly as a result of improved reduced operating results.

income was mostly offset by improvements in working capital.

Cash Flows (Used in) Provided by Used in Investing Activities

		Nine Months Ended September 30,		Three Months Ended March 31,	
		2022	2021	2023	2022
(Dollars in thousands)	(Dollars in thousands)			(Dollars in thousands)	
Net cash used in investing activities	Net cash used in investing activities	\$ (14,797)	\$ 5,375	\$ (75)	\$ (4,021)

Net cash used in investing activities for the nine three months ended September 30, 2022 March 31, 2023 consists primarily of capital expenditures which were mostly offset by proceeds from the sale of WFAS-FM.

For the three months ended March 31, 2022, net cash used in investing activities consists primarily of capital expenditures partially offset by proceeds from the sale of certain assets and stations and insurance proceeds received from hurricane damage.

For the nine months ended September 30, 2021, net cash provided by investing activities consists primarily of proceeds from the Nashville Sale which were mostly offset by capital expenditures and the purchase of affiliate advertising relationships.

Cash Flows Used in Financing Activities

		Nine Months Ended September 30,		Three Months Ended March 31,	
		2022	2021	2023	2022
(Dollars in thousands)	(Dollars in thousands)			(Dollars in thousands)	
Net cash used in financing activities	Net cash used in financing activities	\$ (98,598)	\$ (157,438)	\$ (12,133)	\$ (16,234)

For the nine three months ended September 30, 2022 March 31, 2023, net cash used in financing activities primarily relates to the repurchase of \$52.6 million \$3.8 million principal amount of Term Loan due for \$3.6 million, the repurchase of \$2.5 million principal amount of the 6.75% Senior Notes due for \$50.7 million \$2.1 million, the purchase a payment of \$28.9 million contingent consideration and purchases of treasury stock and a stock.

For the three months ended March 31, 2022, net cash used in financing activities primarily relates to the \$12.5 million required Excess Cash Flow payment (as defined in the Term Loan due 2026).

For the nine months ended September 30, 2021, net cash used shares returned in lieu of tax payments for vested restricted stock, repayments of financing activities primarily relates to the total \$115.0 million mandatory prepayments required by the terms of the Company's debt agreements from the proceeds of the sale of land in Bethesda, MD, and sale of substantially all of the Company's broadcast communications tower sites and certain other related assets after giving effect to a right of reinvestment obligations and a \$60.0 million voluntary pay down payment of the total amount previously outstanding under the 2020 Revolving Credit Agreement. These payments were partially offset by the proceeds received from the PPP loans, contingent consideration.

Off-Balance Sheet Arrangements

We did not have any off-balance sheet arrangements as of **September 30, 2022** **March 31, 2023**.

Critical Accounting Policies and Estimates

For a description of our critical accounting policies and estimates, see our Annual Report on Form 10-K for the fiscal year ended **December 31, 2021** **December 31, 2022**. Our critical accounting policies and estimates have not changed materially during the **ninethree** months ended **September 30, 2022** **March 31, 2023**.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

Item 4. Controls and Procedures

We maintain a set of disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, the "Exchange as amended (the ("Exchange Act")) designed to ensure that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms. Such disclosure controls and procedures are designed to ensure that information required to be disclosed in reports we file or submit under the Exchange Act is accumulated and communicated to our management,

including, our President and Chief Executive Officer ("CEO") and Executive Vice President and Chief Financial Officer ("CFO") the principal executive and principal financial officers, respectively, as appropriate, to allow timely decisions regarding required disclosure. At the end of the period covered by this report, an evaluation was carried out under the supervision and with the participation of our management, including our CEO and CFO, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, the CEO and CFO have concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of **September 30, 2022** **March 31, 2023**.

There were no changes to our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f)) during the three months ended **September 30, 2022** **March 31, 2023** that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

In August 2015, the Company was named as a defendant in **two** separate putative class action lawsuits relating to its use and public performance of certain sound recordings fixed prior to February 15, 1972 (the "Pre-1972 Recordings"). The first suit, ABS Entertainment, Inc., et. al. v. Cumulus Media Inc., was filed in the U.S. District Court for the Central District of California and alleged, among other things, copyright infringement under California state law, common law conversion, misappropriation and unfair business practices. On December 11, 2015, this suit was dismissed without prejudice. The second suit, ABS Entertainment, Inc. v. Cumulus Media Inc., was filed in the U.S. District Court for the Southern District of New York and claimed, among other things, common law copyright infringement and unfair competition. The New York lawsuit was stayed pending an appeal before the Second Circuit involving unrelated third parties over whether the owner of a Pre-1972 Recording holds an exclusive right to publicly perform that recording under New York common law. On December 20, 2016, the New York Court of Appeals held that New York common law does not recognize a right of public performance for owners of pre-1972 Recordings. As a result of that case (to which Cumulus Media Inc. was not a party) the New York case against Cumulus Media Inc., was voluntarily dismissed by the plaintiffs on April 3, 2017. On October 11, 2018, President Trump signed the Orrin G. Hatch-Bob Goodlatte Music Modernization Act (the "Music Modernization Act") into law, which, among other things, provides new federal rights going forward for owners of pre-1972 Recordings. The question of whether public performance rights existed for Pre-1972 recordings under state law prior to the enactment of the new Music Modernization Act was, until recently, still being litigated by other parties in California. On August 23, 2021, the Ninth Circuit held in the matter of Flo & Eddie, Inc. v. Sirius XM Radio Inc., Case No. 17-55844, that no such public performance right exists under California law. But those plaintiffs continue to litigate a separate case, Flo & Eddie, Inc. v. Pandora Media, LLC, which is pending in the Central District of California (2:14-cv-07648-PSG-GJS). Pandora attempted to dismiss the lawsuit under California's anti-SLAPP statute, claiming that its broadcast of Pre-1972 recordings constituted speech on an issue of public interest and that Flo & Eddie's claims have no merit. The district court denied the motion on the ground that the anti-SLAPP statute did not cover Pandora's conduct, and the Ninth Circuit affirmed the denial (No. 20-56134). Following the Ninth Circuit's direction to consider expedited motion practice on the legal validity of Flo & Eddie's claims given the Ninth Circuit's decision in the Sirius XM Radio case, the district court set a schedule for Pandora to file a motion for summary judgement, judgment, which is not likely to be decided until Q1 2023 at the earliest, was subsequently filed and remains pending. The Company is not a party to that case and is not yet able to determine what effect that proceeding will have, if any, on its financial position, results of operations or cash flows.

On February 24, 2020, **two** individual plaintiffs filed a putative class action lawsuit against the Company in the U.S. District Court for the Northern District of Georgia (the "District Court") alleging claims regarding the Cumulus Media Inc. 401(k) Plan (the "Plan"). The case alleges that the Company breached its fiduciary duties under the Employee Retirement Income Security Act of 1974 in the oversight of the Plan, principally by selecting and retaining certain investment options despite their higher fees and costs than other available investment options, causing participants in the Plan to pay excessive recordkeeping fees, and by failing to monitor other fiduciaries. The plaintiffs seek unspecified damages on behalf of a class of Plan participants from February 24, 2014 through the date of any judgment. judgment (the "Class Period"). On May 28, 2020,

the Company filed a motion to dismiss the complaint. On December 17, 2020, the District Court entered an order dismissing one of the individual plaintiffs and all claims against the Company except those that arose on or after February 24, 2019 (i.e., one year prior to the filing of the Complaint). On March 24, 2021, the Company filed a motion seeking dismissal of all remaining claims. On October 15, 2021, the District Court entered an order granting the Company's motion and dismissing all remaining claims. On November 12, 2021, one of the plaintiffs filed a notice of appeal to the U.S. Court of Appeals for the Eleventh Circuit. The Company intends While the appeal was pending, the parties agreed to vigorously defend itself in a settlement, that if granted final approval, will resolve all of the appeal. The October 15, 2021 order and/or the pending appeal may not foreclose other parties from asserting similar claims against the Company. The Company on a class-wide basis for the entire Class Period, and will provide the Company a general release. On February 16, 2023, the District Court granted preliminary approval of the settlement and set a final fairness hearing for July 10, 2023. If the settlement is currently unable approved by the District Court, the Company will make a settlement payment for which the Company expects to reasonably estimate what effect the ultimate outcome might have, if any, on be indemnified by one of its financial position, results of operations or cash flows, insurance carriers.

The Company currently is, and expects that from time to time in the future it will be, party to, or a defendant in, various other claims or lawsuits that are generally incidental to its business. The Company expects that it will vigorously contest any such claims or lawsuits and believes that the ultimate resolution of any such known claim or lawsuit will not have a material adverse effect on the Company's financial position, results of operations or cash flows.

Item 1A. Risk Factors

Please refer to Part I, Item 1A, "Risk Factors," in our 2021 2022 Form 10-K for information regarding known material risks that could materially affect our business, financial condition or future results. During the three months ended March 31, 2023, there were no material changes to our previously disclosed risk factors. Additional factors not presently known to the Company, or that the Company does not currently believe to be material, may also cause actual results to differ materially from expectations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The table below sets forth information with respect to purchases of the Company's Class A common stock made by the Company during the quarter ended September 30, 2022 March 31, 2023:

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in thousands) ⁽²⁾
July 1 - 31, 2022	—	\$ —	—	\$ 25,000
August 1 - 31, 2022	187,342	9.33	187,342	23,252
September 1 - 30, 2022	227,721	9.51	227,721	21,086
Total ⁽³⁾	415,063	\$ 9.43	415,063	\$ 21,086

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in thousands) ⁽²⁾
January 1 - 31, 2023	—	\$ —	—	\$ 18,161
February 1 - 28, 2023	—	—	—	—
March 1 - 31, 2023	323,285	4.65	323,285	16,656
Total ⁽³⁾	323,285	\$ 4.65	323,285	\$ 16,656

⁽¹⁾ On May 3, 2022 May 4, 2022, the Company announced that the Board of Directors authorized a share repurchase program for up to \$50.0 million of outstanding Class A common stock. The share repurchase authorization expires November 3, 2023. Purchases made pursuant to the program may be made from time to time, at the Company's discretion, in the open market, through privately negotiated transactions or through other manners as permitted by federal securities laws including, but not limited to, 10b5-1 trading plans, accelerated stock repurchase programs and tender offers. The specific timing, manner, price and amount of any repurchases will be determined by the Company and may be subject to economic and market conditions, stock price, applicable legal requirements and other factors.

⁽²⁾ The Company's remaining outstanding Class A common stock available for repurchase under the share repurchase authorization excludes fees and expenses.

⁽³⁾ Under the share repurchase authorization, during the three months ended September 30, 2022 March 31, 2023, the Company repurchased 415,063 323,285 shares of our outstanding Class A common stock in the open market at an average purchase price of \$9.43 \$4.65 per share for an aggregate cost of approximately \$3.9 \$1.5 million, excluding fees and expenses. Subsequent to the open market purchases, \$21.1 \$16.7 million of the Company's outstanding Class A common stock remained available for repurchase under the share repurchase program as of September 30, 2022 March 31, 2023.

Item 6. Exhibits

Exhibit Number

10.1 Description

Fifth Amendment to the ABL Credit Agreement, dated as of June 3, 2022, entered into by and among Cumulus Media Intermediate Inc., Cumulus Media New Holdings Inc. ("Holdings"), each of the restricted subsidiaries of Holdings signatory thereto, Fifth Third Bank, National Association, as the administrative agent for the lenders and collateral agent for the secured parties, and the other lenders from time to time party thereto (incorporated by reference to Exhibit 10.1 to Cumulus Media Inc.'s Current Report on Form 8-K filed with the SEC on June 8, 2022)

31.1

[Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)

31.2

[Certification of the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)

32.1

[Certification Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)

101.INS

Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document

101.SCH

Inline XBRL Taxonomy Extension Schema Document

101.CAL

Inline XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF

Inline XBRL Taxonomy Extension Definition Linkbase Document

101.LAB

Inline XBRL Taxonomy Extension Labels Linkbase Document

101.PRE

Inline XBRL Taxonomy Extension Presentation Linkbase Document

104

Cover Page Interactive Data File - (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Cumulus Media Inc.

October 28, 2022 April 27, 2023

By: /s/ Francisco J. Lopez-Balboa

Francisco J. Lopez-Balboa

Executive Vice President, Chief Financial Officer

3024

Exhibit 31.1

Certification of the Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Mary G. Berner, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cumulus Media Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

- b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

October 28, 2022 April 27, 2023

By:

/s/ Mary G. Berner

Mary G. Berner

President and Chief Executive Officer

Exhibit 31.2

Certification of the Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Francisco J. Lopez-Balboa, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cumulus Media Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

October 28, 2022 April 27, 2023

By:

/s/ Francisco J. Lopez-Balboa

Francisco J. Lopez-Balboa

Executive Vice President, Chief Financial Officer

Exhibit 32.1

Certification Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906
of the Sarbanes-Oxley Act Of 2002

Pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, in connection with the filing of the quarterly report on Form 10-Q of Cumulus Media Inc. (the "Company") for the three month period ended September 30, 2022 March 31, 2023, filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certifies, that, to such officer's knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15d of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Mary G. Berner

Name: Mary G. Berner

Title: President and Chief Executive Officer

/s/ Francisco J. Lopez-Balboa

Name: Francisco J. Lopez-Balboa

Title: Executive Vice President, Chief Financial Officer

Date: October 28, 2022 April 27, 2023

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2023, Refinitiv. All rights reserved. Patents Pending.