

RADIO+TELEVISION BUSINESS REPORT

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A BROADCAST MEDIA NEW REVENUE RAINMAKER

ATSC 3.0's promises include more dollars for radio and TV. Sinclair Broadcast Group President/CEO Chris Ripley is leading the path to those future dollars.

MEET 2023'S BROADCAST
BEST FINANCE LEADERS

THE LAMENT OF TODAY'S
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AI-POWERED NEWS FOR RADIO

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**“There’s been
a lot of talk
about ATSC
3.0, and now
the time is
actually here.”**

MONETIZATION BEYOND BROADCASTING

With core advertising subject to “macroeconomic weakness” and the long-term retransmission revenue issues still being quantified, Chris Ripley is convinced there are dollars – billions of them – for over-the-air television. However, the revenue potential lies in data distribution.

Ripley made this point loud and clear during Sinclair Broadcast Group’s first-quarter 2023 earnings call. In his role as President and CEO, he’s already established a beachhead in the NEXTGEN TV space, serving as one of broadcast television’s leading advocates and shepherds in the voluntary transition of over-the-air channels to the ATSC 3.0 broadcast technology.

Not only does this new broadcast standard promise a robust picture and sharper sound for consumers who upgrade to NEXTGEN TV devices, but there’s money to be had, along with everything else ATSC 3.0 brings. This has the potential for big revenue gains in the years ahead, and it could even solve the potential crisis presently impacting AM radio with respect to continued in-vehicle access.

Where does the future lie, at least for Sinclair, led by Ripley since January 2017, when he rose from Chief Financial Officer? The former UBS Investment Bank Global Media Group Manager certainly has his thoughts. But getting Wall Street on the same page is an ongoing process.

Following the release of Sinclair’s Q1 2023 earnings on May 3, the company’s shares fell by upward of 6%. Prices have been on the lower portion of a five-year trend. Yet Ripley and his colleagues on the Sinclair executive team may be getting short shrift from institutional investors and financial analysts who don’t fully understand where Sinclair and others are taking the broadcast television industry. Is the message getting lost on Wall Street, with analysts not fairly evaluating Sinclair’s stock?

“Yes — that’s an understatement,” Ripley says. “We are working on ways to give transparency to Wall Street and highlight the value that we have. We think there are very strong growth opportunities bubbling up within our business, including ATSC 3.0.”

A perhaps even more significant development is forthcoming — an “innovative and interconnected” broadcast platform Sinclair will build and operate with key partners to provide commercial services and tools for national data

distribution. Using NEXTGEN Broadcast network technology, the platform is designed to provide a wireless broadcast backbone for IP (Internet Protocol) data delivery across the U.S. For Sinclair, this increases the value of spectrum for all broadcasters while providing an IP connection to better serve communities from Hawaii to Puerto Rico.

Designed and built to exploit the uniquely efficient “one-to-many” architecture of broadcasting, the NEXTGEN IP data platform Sinclair has been championing could benefit “edge-heavy” industries such as building/industrial automation, automotive, and critical infrastructure.

How? Data can be distributed and delivered via broadcast spectrum using low-band channels, something that can propagate further and penetrate buildings better than other wireless bands. And, Sinclair believes, broadcast data is a business opportunity with the potential for hundreds of millions of dollars in new revenue.

“There’s been a lot of talk about ATSC 3.0, and now the time is actually here,” Ripley says.

A major broadcast data distribution announcement was made on the Saturday prior to the official start of the 2023 NAB Show in Las Vegas. While South Korean media was present, as were select trade publication journalists, there was a notable absence of reporters representing the global financial press. It may be time for them to ring Ripley’s office.

“We wouldn’t build this network if we didn’t see the monetization opportunities on the horizon, because you need this network to be able to do those use cases,” Ripley says. “Wall Street hasn’t given any broadcaster any credit for ATSC 3.0 whatsoever. The reason they haven’t done that is there is a perception that there hasn’t been any line-of-sight to revenue. Previously, it was difficult to lay that out for people, and when you can’t do that for Wall Street, they just assume there is nothing there.”

Is that because of the time it takes to build out the monetization opportunities beyond broadcast in a NEXTGEN

environment? “Yes,” Ripley responds. “Just to get to 60% of the country, and we are over 60% now, was like herding cats. The voluntary nature of the rollout has been very burdensome on the industry and consumers. But it is amazing that we have gotten this far, doing it the way we’ve had to do it.”

Hopefully, Ripley adds, the industry will be able to utilize the FCC’s new ATSC 3.0 task force to help speed up the process. At the NAB Show in April, “The Future of TV” initiative, which the NAB is leading, was unveiled by FCC Chair Jessica Rosenworcel. This will see the NAB and the Commission work together to foster a public/private partnership designed to identify a roadmap to an orderly transition from ATSC 1.0 digital television broadcasts to the new ATSC 3.0 standard. “For the benefit of consumers and the industry, it’s time for the government to give ATSC 3.0 its last push and get this transition complete,” Ripley says.

Importantly, now that the industry can “talk” to 60% of the U.S. via NEXTGEN Broadcast and will have a network that can run use cases across multiple markets, in Q1 of 2024 “Sinclair and others are hoping to start having revenue.”

This will allow Ripley and his team to demonstrate more to Wall Street about the big dollars that over-the-air television companies have been waiting years to achieve. Once that future revenue is put into the forecast models by analysts, which should start in 2024, Ripley believes it will become easier to get some attention and love from Wall Street: “I do think it is going to be a major driver for business going forward.”

A RE-EVALUATION OF RETRANS REVENUE?

As of today, retransmission consent revenue remains a major component of a quarterly earnings report. It will remain



Sinclair Broadcast Group President/CEO Chris Ripley (l) is joined by Sinclair SVP of Advanced Technology and ONE Media 3.0 President Mark Aitken and President of Technology Del Parks.

that way until at least 2030, when that revenue source may start to change as cord-cutting reaches new heights, some analysts predict. Should retransmission revenue indeed be as challenged as some believe, Ripley has a plan to prevent over-the-air television companies from experiencing devastating revenue slides after years of investment in stations.

He says, “The pay-TV component of the business will be around for the foreseeable future. It may be diminished over time, and you can see what we are doing: it is all around

A large graphic advertisement for Florical Systems. It features a blue background with abstract, overlapping shapes in shades of green and yellow. The text "Think Forward Think Florical" is prominently displayed in white. Below this, it says "Robust end-to-end master control automation & playout solutions." and "FLORICAL.COM". At the bottom left is the Florical Systems logo, which consists of the letters "FS" inside a stylized square frame. At the bottom right, there is a small copyright notice: "© Copyright 2023, Florical Systems. All Rights Reserved. Florical and its trademarks are registered trademarks, while all other marks are the property of their respective owners."



diversifying into other areas beyond broadcasting, and diversifying the broadcast business itself, with ATSC 3.0.”

Over time, he adds, the affiliate business — which is just one part of what Sinclair does on the broadcast side — is going to be a smaller component. “Obviously, it’s currently the key component of the business we have today, but it is not the only component,” Ripley notes. He points to the digital multicast networks including Comet, Charge!, and TBD. There are also other businesses that run through broadcast.

But, he says, “The lion’s share is the affiliate business, and the percentage is going to shrink over time — not because it is going to be all that much less profitable to be an affiliate provider. I think it is going to be a good business for the foreseeable future, but all of these other businesses are going to start growing and will grow much faster than the affiliation business. Over time, you will start to see this diversification happen.”

Will there be a point in time where affiliations won’t be necessary anymore, thanks to delivery via streamed platforms? What does that mean for Sinclair with respect to new program development?

“I do not believe the affiliate business is going to disappear,” Ripley says with confidence. But he adds, “The contribution percentage that the networks give to that business will also reduce over time as we produce more of our own programming.”

Profitability, and not just chasing subscribers, will be even more important in the months and days ahead. “I think there will be some rationalization of the streaming strategies going forward, and that should be good for the affiliate business,” Ripley says. “When you start optimizing for profitability, you make different choices. You’re not going to put all of your premium product on streaming.” At some point, the need to become more self-reliant will become omnipresent for broadcast TV. “The value, as a percentage of our business, that we get from the networks is going to be reduced over time,” Ripley believes.

AN AUDIO SOLUTION, VIA ATSC 3.0

Some of that post-affiliate life for broadcast television could

A live, in-vehicle NEXTGEN Broadcast Automotive Services trial was administered in December 2022 by Sinclair, with the participation of CAST.ERA, SK Telecom, and Hyundai Mobis.

involve an opportunity for AM radio to outlive the kHz band, should automakers move forward in removing it from in-dash audio entertainment systems. How so?

In Seattle, Sinclair Broadcast Group is experimenting with audio channels that live in the ATSC 3.0 NEXTGEN universe. “It could be a solution for radio,” Ripley says. “It’s a very good platform for streaming any type of data — video or audio. We think the audio portion of the business is something no one is focused on except for us, and we are seeking complete ubiquity. If we are successful in creating services, we’ll get in all of those devices over time. And if you’re looking to distribute audio programming, you’re going to want platforms that have that type of ubiquity.”

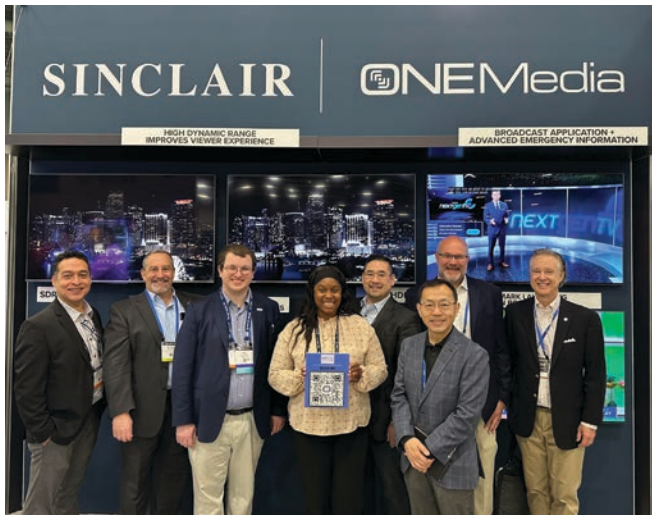
With maximum distribution a key goal for Sinclair, the very possibility of using these audio channels as a “new streaming” or “new radio” avenue is one the industry will certainly want to keep tabs on in the coming years.

While ad-supported audio is an ATSC 3.0 opportunity in its embryonic stages, FAST channels have spread like wildfire across the consumer universe. In just two years, consumption has grown tremendously. How do Sinclair, and Ripley, view FAST growth?

“It is really more of a concern for your run-of-the-mill cable channel that airs a lot of reruns and syndicated shows,” he says. “That is where FAST channels are targeted, and they are not new — they are exactly what the multicast channels have been on broadcast for some time. In fact, we have transitioned our multicast channels onto FAST channel platforms so they are available in both places and are ad-supported, so this gives them maximum reach.”

It also allows Sinclair to further monetize The Tennis Channel by offering T2 as an ad-supported option, with FAST channel access its primary gateway.

Ripley comments, “I don’t worry about it in terms of affecting the affiliate business because our product is



Pictured at the 2023 NAB Show in Las Vegas at the Sinclair/ONE Media booth are (l-r) Tony Rangel, Director of Automotive Business Development at Sinclair Broadcast Group; Matthew Goldman, Senior Director of Media Engineering and Architecture; ONE Media 3.0 Systems Engineer Liam Power; and other members of the team.

different, but if I were running a large cable channel, I'd think FAST channels are pretty concerning because it is going to eat away at my viewer base. The FAST market continues to grow quite robustly." And, he says, it is really "plain old television."

That's a message Sinclair may wish to hang its hat on

when it comes to its linear channels as the Run3TV platform, which debuted in 2022, will revolutionize what viewers see when they tune to a station in a NEXTGEN TV universe. In short, they'll get a menu, just like when they access a linear TV channel via an app.

This makes the broadcast TV station's content more vitally important than ever. Asked what sets Sinclair's stations apart from its peers, and the radio stations and newspapers in the markets where it maintains a presence, Ripley responds, "Certainly the core of Sinclair is this focus and commitment to the communities that we are in. We are a local media company, first and foremost — much different than a Disney or a Paramount. Where that shines through is our commitment to investigative, accountability-focused reporting. A great example is 'Project Baltimore' on [WBFF] FOX45."

The project has won awards for initiatives tied to the City of Baltimore's school system, Ripley says. Similar investigative reporting is being done in 25 other markets. "In Seattle it is focused on the homeless and drug addiction problems," Ripley says. "That is a role that was once filled by newspapers. But they lost resources and don't have the ability to fill that role anymore as their model got degraded. We filled it in, in many markets, and it is a key differentiator on the content side for us."

And such reporting only furthers the message Ripley wishes to share: even with all of the ATSC 3.0-focused growth ahead, Sinclair is fundamentally a local media company that seeks to be engrained in its communities. "People will actually show up and watch when they know they're not just going to get a 'cat in the tree' story," Ripley concludes. "And we're finding a lot of success with that."

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2023's BROADCAST BEST FINANCE LEADERS

Despite gloomy chatter among Wall Street analysts and repeated commentary about “macroeconomic headwinds” impacting the bottom line, broadcast media companies continue to deliver for their audiences and for advertisers. Yes, 2023 has its challenges. But for some companies, growth has overshadowed them. And even in situations where the hurdles are plentiful, skilled leadership is racing toward more fruitful plains.

For television, the long-term and mid-term road is filled with profit-generation seeds tied to the widespread adoption of the ATSC 3.0 broadcast TV standard. For radio, ensuring AM and FM broadcasts are accessible to all, everywhere, is an omnipresent battle that reinforces radio’s essential role in times of need — and as a part of everyday life. For the executives charged with managing the corporate finances, profit generation while keeping an eye on expenses is more important than ever. Now, the industry has once again chimed in by offering nominees for the 2023 **Broadcast Best Finance Leaders** honors.

In its fourth year, the *Broadcast Best Finance Leaders* list is again ranked, and puts the spotlight on 15 leaders who have demonstrated fiscal prowess and strong leadership. Several criteria were taken into account, including total company revenue, industry-wide performance with respect to peers, years active in the role, and other leadership factors, in addition to reader nominations. Upon final review, this year’s rankings were locked in.

We are pleased to honor these 15 leaders; among them this year are a new entrant and two returning leaders.

1 Lee Ann Gliha EVP/CFO, Nexstar Media Group 2022 Ranking: No. 1

Nearly two years ago, in August 2021, Nexstar promoted its Chief Financial Officer, Tom Carter, to President/COO. With that move, Lee Ann Gliha — once a Managing Director at Wall Street financial house Jeffries LLC and before that in a similar role at Houlihan Lokey — took on the CFO role.

Since her arrival, Nexstar Media Group has outperformed its industry peers while growing to become the No. 1 owner of broadcast TV stations. It also owns a rejuvenated WGN-AM in Chicago, a growing NewsNation cable TV network born out of the former WGN America, and has a majority stake in The CW Network, which is being reshaped for 2023-2024.

Those assets helped Nexstar grow its net revenue to \$5.211 billion in 2022, from \$4.648 billion in 2021, as net income surged to \$971.1 million from \$834.5 million year-over-year.

According to Nexstar founder and Chairman/CEO Perry Sook, there's billions of dollars in revenue in the coming years thanks to broadcast data solutions tied to ATSC 3.0. And that's likely something Gliha is attuned to.

Yet content is 2023 is available through a plethora of delivery vehicles, and from a bountiful array of producers. How will Nexstar continue to stand out and magnetize audiences in what the late voiceover artist Nick Michaels termed the “overcommunicated world”?

Gliha points to the 300,000 hours per year of local news content produced by Nexstar, making it the largest creator of such fare. Additionally, she says, “We are proud supporters of the core principles of journalism — the reporting of unbiased, fact-based news to our communities. We know this content resonates with consumers as it drives the lion's share of our viewership and our local advertising revenues. Building on this ethos, we are the proud owner of NewsNation, America's



Lee Ann Gliha

fastest-growing cable news network. In addition, we are in the process of refocusing The CW Network on the type of content broadcast audiences desire, including adding sports programming such as LIV Golf.”

There's also “100 Days to Indy,” chronicling the 100 days leading up to the Indianapolis 500 race, and a new seven-day lineup that gives The CW the opportunity to create a “Big Five” for U.S. broadcast networks.

As such, Gliha and her colleagues will be keeping their eye on The CW, NewsNation, and its owned properties as all signs point to increased dollars for Nexstar.

2 Jim Ryan EVP/CFO, Gray Television 2022 Ranking: No. 2

In 2019, Ryan made it clear upon learning that he had been honored as a *Broadcast Best Finance Leader* that he prefers “to stay under the radar and off the grid as much as possible.” That declaration proved true once again for Gray Television's Chief Financial Officer, who is celebrating 25 years with the company this October. A Senior VP for 21 years, Ryan was previously with Busse Broadcasting Corp.

Gray in 2022 grew its total revenue to \$3.68 billion from \$2.41 billion, as its net income surged to \$403 million from \$38 million. That growth led Gray's board of directors to award shareholders with a dividend — something still not seen from other broadcast media companies.

What does the future look like for Gray? It has aspirations to air live sports play-by-play, although an announced deal with the Phoenix Suns and Phoenix Mercury was scuttled by a judge who ruled the team owners acted too quickly in signing the deal, given the ongoing bankruptcy reorganization plan by the teams' current rightsholder. But with Sandy Breland now in the COO role and leadership that includes Pat LaPlatney, Hilton Howell Jr., and Kevin Latek, Ryan is in a position that will likely see him in control of the P&L of a company offering positive guidance for the remainder of 2024.



Jim Ryan



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CONGRATULATIONS TO OUR CFO

Jim Ryan

Gray Television salutes its Chief Financial Officer, Jim Ryan, for his recognition as Radio + Television Business Report's Best Finance Leaders for the fifth year in a row. Jim's dedication to the growth of Gray Television and his leadership in the television industry are invaluable traits. We salute Jim and his fellow 2023 honorees.



Lucy A. Rutishauser

3 Lucy A. Rutishauser EVP/CFO, Sinclair Broadcast Group 2022 Ranking: No. 4

When it comes to forward-thinking and a long-term vision for broadcast media, Sinclair Broadcast Group is a dynamic leader. It owns Dielectric, the broadcast tower company, and it is also the force behind ONE Media 3.0, the ATSC-focused broadcast technology enterprise. Plus, there's Compulse, the digital marketing technology operation.

Of course, Sinclair is a major broadcast TV station owner, and President/CEO Chris Ripley said the company has entered 2023 "financially strong." Much of that prowess is thanks to the leadership of Lucy Rutishauser, who has been in her role since February 2020.

The diversified revenue streams of Sinclair are what perhaps makes the company unique, and of value, Rutishauser says. "Sinclair offers a broad range of content across multiple platforms, including 185 television stations in 86 markets, which are affiliated with all the major broadcast networks." In addition, Sinclair owns The Tennis Channel and related properties, and three digital multicast networks — Comet, CHARGE!, and TBD. Plus, it owns the local news content OTT app NewsON.

What else sets Sinclair apart? Rutishauser points to the company's focus on local communities and what she calls its innovative use of technology. There's also a recent special on antisemitism, produced by WPEC-12 in West Palm Beach, that brings unique content to Sinclair stations across the U.S. that goes beyond the *National Desk* newscasts it offers to viewers.

Rutishauser says, "By staying connected to the communities we serve and delivering content that resonates with our viewers, we provide a differentiated and unique viewing experience. Our unrelenting commitment to local communities and advocacy journalism allow us to deliver highly relevant and compelling content to our viewers, with a focus on the needs of local audiences."

And, with Sinclair at the forefront of developing and embracing innovative technology, "We can reach audiences wherever they are, delivering personalized and interactive experiences. This sets Sinclair apart and highlights our commitment to leading the way with technological advancements. By prioritizing community and technology, Sinclair continues to attract and retain viewers across its various content offerings and delivery vehicles, establishing itself as a leader in the media industry."

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EVP/Chief Financial Officer

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Chris Ripley
PRESIDENT AND CEO

**ONE OF BROADCAST
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LEADERS**

Lucy Rutishauser
EVP AND CHIEF FINANCIAL OFFICER

**ONE OF THE BROADCAST
TELEVISION'S BEST
FINANCE LEADERS**

4 Jason Combs
CFO, The E.W. Scripps Co.
2022 Ranking: No. 6

Like its peers, Scripps has evolved in leaps and bounds over the last several years. Many of these changes have come under the financial leadership of Combs, who became Chief Financial Officer in January 2021, rising from VP of Financial Planning and Analysis.

With Scripps Sports poised to bring live play-by-play action back to free-to-air broadcast TV and its digital multicast networks in a strong position to capture cord-cutting audiences, Combs sees Scripps as uniquely positioned to reach audiences in an ever-changing media landscape.

Speaking to **RBR+TVBR** ahead of the Media Financial Management (MFM) Annual Conference, held in late May in Los Angeles, Combs said, “Our launch of Scripps Sports in December 2022 is not only a value creator for the company but another important way to engage audiences with our local and national TV stations and news brands.”

Combs also pointed to the continued growth in the company’s Scripps News brand. “This demonstrates our focus in an area of content that is important for linear viewing: journalism,” he said. “We know that sports and news are two key drivers of linear television viewing. Our focus on growing the over-the-air marketplace, maximizing carriage in the pay TV ecosystem, and rapid expansion into the Connected TV space ensures that our brands are seen everywhere consumers look for their content.”

Asked what the long-term promise is for the consumer



Jason Combs

with respect to Scripps’ linear channels, Combs goes back to his belief that sports and news are the key drivers. “We are committed to helping teams and leagues reach a greater percentage of their fan bases than they do now. We can help them connect with up to 100% of their audiences. That is going to be so important for them moving forward. We also have fortified our commitment to journalism both locally and nationally. We believe the American people want strong, fair, balanced journalism, and that has long been a commitment of our company. We’re going to commit more resources to local journalism in the coming year because we believe so strongly in our mission.”



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CHIEF FINANCIAL OFFICER

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5 Rich Bressler EVP/CFO and COO, iHeartMedia 2022 Ranking: No. 3

Once again, the top-ranked *Broadcast Best Finance Leader* from an audio content creation and distribution company is the individual who works alongside Bob Pittman, and who was spotted in casual attire heading up an escalator at the 2023 NAB Show in Las Vegas. This exec maintains a laser focus on the revenue and expenses associated with the nation's No. 1 owner of radio stations.

Rich Bressler has been associated with iHeartMedia since it was known as Clear Channel Communications, with Bressler arriving after serving as a Managing Director from institutional investor Thomas H. Lee Partners. This year, Bressler is celebrating a decade in his role as CFO.

In that role, Bressler is doing his part to navigate iHeartMedia through seas that continue to be rougher than those broadcast television companies have been sailing through. In 2022, iHeartMedia's net loss widened from 2021. Operating income shrank. But adjusted EBITDA rose to \$950.29 million from \$811.13 million. And free cash flow increased to \$259.11 million, up from \$147.2 million.



Rich Bressler

This prowess is one reason iHeartMedia continues to push forward with a plan that includes the iHeartRadio app's growth, strong linear brands replete with the nation's most recognizable air personalities, and even ventures into the metaverse. Those value points are likely those Bressler and Pittman will share at future institutional investor gatherings, too, with the executives on May 23 attending the J.P. Morgan Technology, Media and Communications Conference.



John Drain

6 John Drain CFO, Hearst Television 2022 Ranking: No. 7

It's been a big 2023 for Hearst, which turned heads in April when it announced it had agreed to purchase the NBC affiliate in Fort Myers-Naples, Fla., WBBH-20, for \$220.54 million.

As Hearst remains privately held, quarterly earnings reports aren't seen from the company led by President/CEO Steven R. Swartz. That said, in Hearst's annual letter to colleagues, Swartz noted that "record results" were seen at Hearst Television in 2022. "The television ventures we share with our great partners the Walt Disney Company, ESPN, and A+E Networks were all up over the last year," he said.

That's positive news for John Drain, who has been in his role as Chief Financial Officer since 2016 and, before that, was

SVP/Finance for a six-year period. With many companies still dealing with "headwinds" and so much discussion tied to digital media growth, what does Drain believe is the biggest selling point to an advertiser for broadcast media?

Drain, like others, points to "the broad reach and delivery across all critical audiences." In his view, broadcast TV is "a highly efficient buy that consistently moves the needle toward any advertiser's objectives." Also, he says, "Broadcasters have a toolbox of options to serve an advertiser's needs. In addition to linear, there are Connected TV, OTT, and digital platforms, among other effective solutions to meet an advertiser's needs."

That said, what is the long-term promise for the consumer with respect to Hearst Television's linear channels? Drain replies, "Hearst Television's foundational core is to serve and inform our communities by achieving the highest journalistic standards. That is the promise and the connection our journalists make with our viewers and communities every day. In addition, we continue to deepen our commitment to local journalism and local communities. Our recently announced acquisition of WBBH exemplifies that commitment."

Drain adds that Hearst is committed to investing in quality content and pursuing leadership in growing production slates and libraries of original digital content. "Our stations also produce differentiated locally focused programming to complement our investments in local news gathering," Drain notes. "Locally, we are furthering our connection with viewers with the launch of our Very Local streaming service, which provides local-based, high-quality programming. We are also investing in Hearst Media Production Group to develop compelling new programming for our stations and distribution partners."

"Whatever direction the marketplace takes, as a company, we will continue to lean in and rely on our proven strength of identifying and developing quality content that resonates with our viewers and advertisers."

7 Rich Schmaeling EVP/Chief Financial Officer, Audacy Inc. 2022 Ranking: No. 5

In his second year on the *Broadcast Best Finance Leaders* list, Rich Schmaeling is in the No. 7 position among his radio industry peers. Earning this honor has hardly been easy. Audacy Inc. is perhaps one of the broadcast media companies that had the most exposure to automotive advertising, putting revenue in a difficult spot across the COVID-19 pandemic. That only exacerbated long-term turnaround projects associated with former CBS Radio stations, obtained via a tax-free merger. Many former CBS Radio stations were singled out as maligned by their prior owner; revenue and ratings turnarounds remain underway at some of these properties.

Ensuring the expenses and revenues are in line with expectations is Schmaeling, who in recent weeks has received attention tied to the NYSE's delisting of Audacy Inc. stock, now traded as an Over-The-Counter issue as a reverse stock split vote was put to shareholders in late May.

Even with the well-publicized challenges Audacy has faced in 2023, the company was — by a large margin — the second-largest revenue-generating radio broadcasting firm in 2022. Last year, some \$1.364 billion in revenue was generated by Audacy. This explains why Schmaeling, in his sixth year at the company formerly known as Entercom and under contract through April 2025, is one of the *Broadcast Best Finance Leaders* in 2023.

Speaking with **RBR+TVBR**, Schmaeling was asked how he would describe radio's biggest advantages to advertisers



Rich Schmaeling

and consumers. “Yes, there are many ways to consume media in today’s digital world, but audio remains the No. 1 reach medium in the United States, with radio alone reaching 92% of adults every week,” he says. “While other media has been disrupted by changing consumer habits and audience fragmentation, radio resists disruption, evolves, and brings its superpower forward, finding new channels for growth and new listeners to connect.”

In fact, he adds, advertisers can grab consumers’ attention on the radio better than with any other form of media. “Attention-grabbing sound elements such as sonic branding increase ad recall and purchase, making ads seem more trust-

A large graphic featuring a portrait of John Drain on the right side. He is wearing a dark blue pinstriped suit, a white shirt, and a light blue tie. The background is a dark blue with a geometric pattern. On the left side, there is white and yellow text.

CONGRATULATIONS
**JOHN
DRAIN**
RADIO + TELEVISION
BUSINESS REPORT
TOP 15 BROADCAST BEST
FINANCE LEADERS FOR 2023

HEARST
television

worthy, relevant, likable, and unique,” Schmaeling believes.

That is one reason local audio brands, no matter how they are consumed by the audience, will prove to be future-proof. “Our company is built on and continues to be powered by our broadcast brands’ connection with the listeners in our local communities,” Schmaeling says. “We know that radio, at its core, is a social medium that forges deep, meaningful connections with people. Its authenticity and trust firmly cement it as America’s No. 1 reach medium. While our growth in digital has positioned our company for future success, broadcast radio is and will continue to be the foundation of this company.”

With content available through so many delivery vehicles, how will content from Audacy continue to stand out and magnetize audiences? “Research indicates that audio content drives unmatched engagement and trust,” Schmaeling says. “This is especially true for listeners of local audio media, which our company was founded on and continues to position as a differentiator in our industry. It’s proven that local radio stations, influencers, and brands that engage on the issues that matter to people and local communities outperform other outlets across virtually all trust and immersion metrics.”

8 **Kimberly Parker** EVP/Chief Financial Officer, Graham Media Group 2022 Ranking: No. 10

She began her career in broadcast media in 1996 at broadcast software companies such as Enterprise Systems Group and Marketron. Today, she’s handling the finances for the Graham Media Group arm inside a larger multi-industry entity born out of the Graham Family’s holdings, which range from Clyde’s restaurants in the Washington, D.C., metropolitan area to the former Post-Newsweek Stations that today fall under the GMG banner.

With President/CEO Catherine Badalamente in the leadership role, Parker has been the fiscal steward of a group of radio stations that in 2022 enjoyed strong growth. Revenue at the television broadcasting division of Graham Holdings Co. increased 8%, to \$535.7 million, in 2022, powered by a \$57.7 million increase in political revenue, increases from Winter Olympics and Super Bowl advertising revenue at the company’s NBC affiliates (WDIV-4 in Detroit, its flagship station, and KPRC-2 in Houston), and a \$400,000 increase in retransmission revenue.

Speaking ahead of the MFM annual conference in Los Angeles on May 22, Parker said it is an honor to be recognized among the group of finance leaders represented this year. “The media industry continues to undergo significant changes and evolution by adapting to new technologies and consumers’ behavior,” she said. “The shift to online streaming, targeted advertising, social media, AI, and regulatory challenges keep our leaders engaged and challenged. I am thankful to work in an industry where we continue to be an important medium for mass communication, entertainment, advertising, and social impact in our communities.”



Kimberly Parker

9 **Victoria Harker** EVP/Chief Financial Officer, TEGNA 2022 Ranking: No. 9

One year ago, TEGNA executives entered a “cone of silence,” if you will, because of a transformational proposed \$8.6 billion transaction that was poised to bring the broadcast television company formerly known as Gannett under the majority ownership of Standard General.

On May 22, that transaction was terminated. With the FCC’s Media Bureau sending the proposed deal to an Administrative Law Judge for a hearing, and then suspending the hearing indefinitely due to timetable disagreements with Standard General’s legal counsel, time ran out on the funding needed for Standard General to complete the deal.

As RBR+TVBR went to press, TEGNA was moving forward without the Soo Kim-led Standard General by initiating a \$300 million accelerated share repurchase program. The TEGNA board approved a 20% increase in its quarterly dividend. This came following an impressive first quarter 2023 earnings report that demonstrated how TEGNA’s television stations in markets including Buffalo, Phoenix, Tampa-St. Petersburg, and Portland, Ore., are performing.

For Victoria Harker, there’s another revenue source coming to TEGNA she’ll need to make note of: a termination fee of \$136 million from Standard General and “additional excess capital that accumulated during the pending merger.”

Meanwhile, Dave Lougee is still President/CEO of TEGNA; Deb McDermott, who was poised to succeed him with a Standard General acquisition, will not be assuming the role. Lougee said, “I am extremely proud of our TEGNA colleagues for remaining focused on our business despite the distractions of a long-pending transaction. Their hard work and dedication have maintained strong business momentum, building on record total company revenue, subscription revenue, net income, free cash flow, and adjusted EBITDA in 2022.

“As we look ahead, we are confident that TEGNA is well positioned to continue serving all our stakeholders based on our portfolio of leading broadcast assets and innovative digital brands; our delivery of high-quality, trusted news and content in the markets where we operate; and our continued focus on fostering a culture of diversity and inclusivity.”

Harker has been CFO of TEGNA since July 2012 and before joining the company was President of Global Business Services and CFO of global power company AES Corporation.



Victoria Harker

A portrait of Victoria D. Harker, a woman with long, wavy brown hair, wearing a dark red blazer, a gold necklace with a circular pendant, and gold hoop earrings. She is smiling slightly and looking towards the camera. The background is a blurred city street at night with colorful lights.

TEGNA salutes our own

VICTORIA D. HARKER

Executive Vice President and
Chief Financial Officer

Congratulations on
being selected as one of
the Best Finance Leaders
in the media industry.

Your leadership, vision
and dedication are
invaluable to all of us
at TEGNA.

TEGNA

10 **Evan Masyr**
CFO, Salem Media Group
2022 Ranking: 11

“The biggest selling point for Salem is our audience,” says Salem Media Group’s chief financial executive, Evan Masyr. “We have an audience that is unparalleled when it comes to loyalty, and we can reach that audience for an advertiser in 360-degree fashion.”

That unique selling point is what is driving the revenue for a company known for its Christian-themed radio properties as well as its conservative News/Talk stations. But there’s more to Salem Media Group, including a growing OTT television network, podcast networks, and a publishing house known for such works as Dinesh D’Souza’s *2000 Miles*.

It’s a consumer Salem is pleased to cater to. “We capture that audience and can deliver them to an advertiser’s doorstep,” Masyr says. “Because of this loyalty, our advertisers get better results on Salem stations as compared to other stations.”

But with content available through so many delivery vehicles, can Salem continue to rely on that value proposition to stand out from other sources? Yes, says Masyr, who has been with Salem since joining as Controller in 2000. “We stand out because of the credible people we have discussing the topics our audience cares about, and the intelligent approach we take to covering such topics,” he says.

And, in a sign that times have changed over the last few decades, Masyr recalls, “When I was a kid, my grandfather told me there are two things you don’t talk about — religion and politics, because people define themselves by their religion and politics and you will only get in a fight. So, what do I do every day? I talk about religion and politics.”

That’s just fine for Masyr and his team, which includes CEO Dave Santrella. “Our faithful and dedicated audiences continue to seek the content we provide, regardless of how it is delivered,” Masyr says. “Our mission is to serve those audiences wherever they may go. As radio listeners become web viewers and podcast listeners, Salem will be there delivering meaningful and thought-provoking commentary.”



Evan Masyr

11 **Dave Bestler**
CFO, Hubbard Broadcasting
RE-ENTRY

In 2020 and 2021, Dave Bestler was included among the *Broadcast Best Finance Leaders*. Now, he’s returned to the ranked list. Bestler’s reappearance among the top 15 CFOs and financial executives in radio and TV is thanks to readers who took note of his genuine qualities and passion for Hubbard Broadcasting and its employees.

Bestler has been associated with Hubbard for 19 years, having been hired to serve as VP/GM of flagship radio property KSTP-FM “KS95” in Minneapolis. He was previously a Director of Sales for Cox Radio and began his career in 1989 as an Assistant Controller for CBS Radio’s WCCO-AM in Minneapolis.

Outside of the office, Bestler has been active in the community, becoming a member of the Children’s Cancer Research Fund, which, along with Gillette’s Children’s Hospital, is a charity supported by the KS95 for Kids Radiothon. He is also on the board of directors for Corner House Minnesota and the Minnesota Broadcasters Association.



Dave Bestler



José Molina

12 José Molina
CFO, Spanish Broadcasting System
2022 Ranking: 12

Aumento. That’s the Spanish-language word that best describes “growth,” and it’s a word that José Molina is likely sharing often in conversations with COO Albert Rodriguez and company chairman Raúl Alarcón Jr. at SBS. With the MegaTV operation officially sold to a Texas entrepreneur, SBS is now wholly focused on audio content creation and distribution *en español*. And, with strong cash flow remaining a key trait of SBS’s finances, Central Florida is proving to be a hotbed of new revenue opportunities.

What’s next? Houston is a market where SBS is returning, and the future dollars are accretive. And it will only add to the revenue opportunities Molina keeps track of for the Miami-based company superserving Hispanic consumers in the continental U.S. and in Puerto Rico, where it enjoys a dominant position.

“Houston is one of the nation’s top audio revenue markets, and we’re thrilled to bring our content, talent, and commitment to KROI,” Molina says of the Houston acquisition made in early 2023.

He continues, “We have four decades of commitment to serving the Latino community and have never been in a stronger position to connect our brands with the highly sought-after and rapidly expanding Latino population across the nation.” There’s a good reason for that, and he points to SBS’s multimedia vehicles — including the LaMúsica online brand — which have allowed SBS to expand its audience.

Other revenue generators for SBS include the AIRE Radio Network and the recently launched pure-play digital marketing department DigIdea: Digital Marketing Solutions. SBS Global Podcasts is also gaining notice, while SBS’s live events division continues to enjoy great demand, with shows in 2024 already on the books.

“The targeted investments we are making will build on our market leadership and history of industry outperformance and drive further aggregate audience growth for many years,” Molina concludes.



Congratulations Sam!

You are the best in the business!

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13 Samuel D. Bush
CFO/SVP/Treasurer,
Saga Communications
2022 Ranking: NEW

The lone new face on the 2023 *Broadcast Best Finance Leaders* rankings belongs to the Chief Financial Officer at pure-play radio broadcasting company Saga Communications.

Sam Bush's presence on the list is a testament to his ability to keep expenses in line with profit generation, while ensuring the transition to Chris Forgy as CEO following the untimely August 2022 death of company founder and chief executive Ed Christian was a smooth one.

Indeed, the company under Forgy, with Bush's assistance, has been an outperformer. It restored its dividend before any other radio broadcasting company following the worst of the COVID-19 pandemic's economic wrath on America, and even raised its dividend. Meanwhile, Saga started 2023 on a strong note, with net operating revenue growing despite tough comps resulting from record political revenue for broadcast media in 2022.

Bush expects that story to continue, along with dividends for shareholders that include institutional investor Daniel Tisch, whose Towerview LLC is Saga's largest equity interest holder.



Samuel D. Bush

Still, RBR+TVBR asked Bush to answer a question posed to his peers across the broadcast radio and TV industries: With content available through so many delivery vehicles, how will content from your company continue to stand out and magnetize audiences?

Bush's response: by being local. He shares, "Saga connects with our communities by being a part of them and by making an impact within them. We provide the news, sports, weather, and entertainment that our listeners find compelling and relate to. Saga involves our listeners and clients in all we do, whether it is on-air, online, or on-site. This philosophy has allowed us to build loyal

audience and client relationships, which is the basis for our strong financial success."

Saga recently conducted a companywide contest that saw \$1,000 per day given away. "Over 8,000 entries were received on the first day," Bush says. "While content may be available in many ways, we stand out in all the communities we serve as the one truly local source that delivers and connects."

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14 **Melissa Mitchell** Director of Finance/Corp. Controller, Bonneville International Corp. 2022 Ranking: RE-ENTRY

Making her return to the *Broadcast Best Finance Leaders* rankings for 2023 is a woman who joined Bonneville International in 2015 following a decade with the former Lincoln Financial Media. Before that, she was the Market Controller of CBS Radio's Denver operations, holding that role from 1995-2005.

With a professional history of more than 20 years, Mitchell says she comes equipped "with a comprehensive skillset" that allows her to meet and exceed expectations on various organizational levels. "I am the go-to person when it comes to partnering with the senior executives on matters of strategic and operational planning, economic modeling, organizational change, business decision-making, and overall leadership of company operations," she says. That said, financial planning and analysis, budgeting and forecasting, and risk assessment and mitigation are among the areas "where I really excel," she adds.

Mitchell also believes the areas in which she has progressed help her "in always applying my management skills." She continues, "By using these, I am respected for developing annual operating budgets, preparing error-free financial statements, and introducing reliable reporting controls to identify and eliminate potential financial risks."



Melissa Mitchell

Lastly, Mitchell believes sustainable business growth and performance can be enhanced by building and implementing effective KPIs. "It's always been my focus to establish performance metrics to measure productivity, uncover areas of improvement, control costs, and drive profitability," she says.



Paul Rahmlow

15 **Paul Rahmlow** CFO, Midwest Communications 2022 Ranking: RE-ENTRY

A familiar face at the MFM Conference, Rahmlow returns to the *Broadcast Best Finance Leaders* rankings at a pivotal time for Midwest Communications. In January, Peter Tanz accepted the role of President, putting him in the top leadership position of the owner and operator of 81 radio stations across nine states. This was precipitated by the December 21, 2022 death of company founder and President/CEO Duke Wright.

Today, Tanz is overseeing a group of locally focused radio stations in markets as diverse as Nashville; Wausau, Wisc.; and Sioux Falls, S.D. And that continued commitment to the community is one reason Rahmlow believes his company's

assets have a long future ahead.

"As technology advances, not only is radio still viable, it is returning to the home," Rahmlow says. "In the past, a house needed multiple radios tuned to the same station, or a vast wiring and speaker system. Today, with smart speakers and simple voice commands, your home can be filled with content from your favorite station."

But what about the cacophony of audio and video options that exist, and the ease with which all of it can be accessed by consumers, no matter where they are? "Disruption is nothing new to the radio industry, going back to the introduction of television," Rahmlow says. "As television replaced radio as the source of evening family entertainment, radio adjusted into being the 'at work' and in-car companion. Years later, satellite radio was expected to be the death of radio, yet radio withstood this new competitor by being something satellite couldn't be: local. Time and time again, radio has adjusted and proven its resilience."

That's not to say radio doesn't have its hindrances. For Rahmlow, the challenge to radio continues as always: ensuring that the content is relevant. "[Radio needs to] create and provide content which connects to the community that it serves, via the ways people consume audio. Radio stays relevant and vital when we freely offer information and entertainment desired by the communities we serve."

ABOUT RBR+TVBR'S BROADCAST BEST FINANCE

LEADERS: This fifth annual Honor Roll is produced by the editorial leadership team of Streamline Publishing's **Radio + Television Business Report** and is based in part on **RBR+TVBR** reader nominations, which were gathered in April 2023. Rankings are based on nomination totals, staff research, and analysis. © 2023 Streamline Publishing.



CONGRATULATIONS
 TO OUR
 CHIEF FINANCIAL OFFICER
JOSÉ I. MOLINA
 AND TO ALL THE
TOP FINANCE
LEADERS OF 2023!

NEW YORK



NEW YORK



MIAMI



MIAMI



MIAMI



MIAMI



ORLANDO



TAMPA



LOS ANGELES



LOS ANGELES



SAN FRANCISCO



CHICAGO



PUERTO RICO



PUERTO RICO



PUERTO RICO



PUERTO RICO



NETWORK



SPANISH BROADCASTING SYSTEM



A SMALLER BROKERS ROUNDTABLE?

Data compiled by S&P Global Market Intelligence’s Kagan unit, shared by one broker with RBR+TVBR in early May, generated much chatter. While some notable broadcast media deals emerged in the first half of 2023, what was perhaps a bigger takeaway was the total number of active brokers in 2022: it was significantly lower.

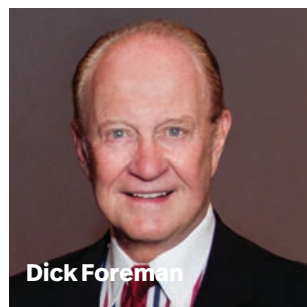
Is this a “COVID casualty,” or a one-year anomaly? Is the deal-making market for radio and TV in the United States slowing to the point where 40 active media brokers is simply too much?

There are varying opinions among the brokers RBR+TVBR gathered for a virtual post-NAB Show roundtable discussion on the state of broadcast media deals in a world where macroeconomic uncertainties, coupled with an FCC lacking a fifth Commissioner capable of making decisions on further deregulatory policy, has made investing in radio and TV rarer.

Yes, capital investment in broadcasting has been lacking, and calls for more outside dollars to radio have been made over the last several years. That

said, data compiled by S&P Global Market Intelligence through April 24 showed a year-over-year decline in broadcasting capital raises in the U.S., Canada, and Bermuda that took the dollars from \$1.2 billion in 2022 to, in 2023, a number so low that S&P didn’t provide it.

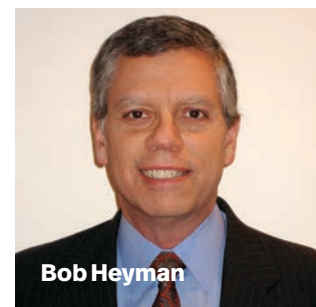
With investors highly reluctant to invest in broadcasting and Kagan putting the total number of active brokers



Dick Foreman



Beth Griffin



Bob Heyman

in 2022 at just 29, one may assume there's a high degree of nervousness and anxiety among media brokers. But that's not the case at all.

Beth Griffin, President of Griffin Media Partners, said, "I am currently so extremely busy trying to close business," limiting her availability to participate in our roundtable. But Griffin quickly added, "Yes, it's been a very challenging year."

Veteran media broker **Dick Foreman**, who through the first half of 2021 was the top broker thanks to Lotus Communications' acquisition of stations owned by Sinclair Broadcast Group, concurs that the pace of deals has become sloth-like. "It is slow and getting slower, especially in radio," he says. "It is something that I don't like to say, but it is true. The reality is the business, for whatever reasons you want to point your finger at, has slowed down, and I don't see anything that is going to inspire."

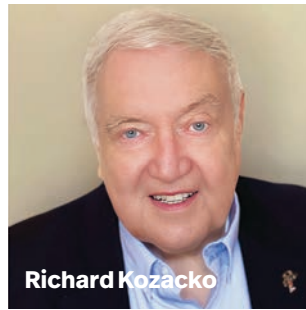
Foreman believes looking to Washington, D.C., won't help, at least not in the short term. "Look at the 2018 Quadrennial Review of its Media Ownership Rules," he says. The Commission adopted its Notice of Proposed Rulemaking in December 2018. It has yet to be completed, yet the four-member FCC has moved ahead with the 2022 Quadrennial Review, as required by the Telecommunications Act of 1996 signed into law by President Clinton. "We've got an FCC that is not really focused on deregulation, and they still need another commissioner," Foreman says. "I don't see regulatory involvement anytime soon. There is no inspiration, and many challenges."

Among those challenges, Foreman believes, is ensuring Gen Y and Gen Z consume radio. "We have just not put our arms around the younger listener, which could have happened 30 years ago," he laments. "The radio business has failed to really relate to a lot of the challenges affecting the core business in the last 20 years, and that has created a soft marketplace."

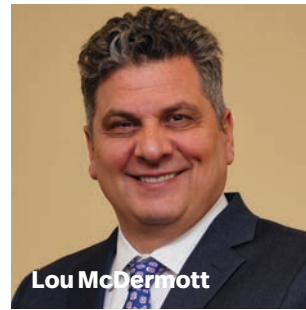
From the 8-Track tapes of the 1970s through compact discs, satellite radio, and Bluetooth-delivered streaming and podcasting choices, radio has fought for its "share of ear," as Edison Research terms it. But, Foreman notes, "All of these incursions have added up to be a substantial competitive threat to the medium. Is it too late? No. Not for those in smaller markets. For those in larger markets, it is very much a problem."

Another longtime broker, **Dick Kozacko** of Raleigh-headquartered Kozacko Media Services, is cautious about suggesting the continued slowdown in media broker activity is tied to a trend. "I don't believe there is a trend, unless you can say an uncertain market and economy is a trend," he says. "Buyers are not too keen on any raise of the prime rate [by the federal government] because that makes loans more expensive. That means companies will wait a little longer to borrow."

Thus, uncertainty is what has clouded the market, Kozacko reasons. And, with first quarter revenue down for a host of major broadcast groups against difficult comps, a buyer's market could emerge as some companies may have no choice but to spin non-essential assets. Take, for example, Audacy Corp.'s decision to sell an FM in the Memphis market



Richard Kozacko



Lou McDermott



Larry Patrick

"The reality is the business, for whatever reasons you want to point your finger at, has slowed down, and I don't see anything that is going to inspire."

– Dick Foreman

and a grandfathered 110,000-watt FM in Buffalo that can be heard in much of the Greater Toronto Area.

"It concerns people ... they don't like the unknown," Kozacko says of today's economic realities and the lack of a clear crystal ball. "Some stations are going to have to make a sale, but in many cases they will not." Should a company make the decision to sell, who are the potential buyers — aside from one of several nonprofit religious broadcast ministries flush with cash? "I can't think of groups of station owners expanding forward," Kozacko concludes.

With revenue trending downward, inflation tempered but still an issue, and regulatory relief far in the distance, what's a broker to do? Stay the course, perhaps. That's proven successful for **Larry Patrick** of Patrick Communications even as he's been tangled up in a court-ordered sale of Royce International Broadcasting's FM stations that has become so complex, he'll soon be free of any obligations tied to the properties, now under a court-appointed receiver selected by a Nevada federal bankruptcy court judge in a different legal matter involving Royce owner Ed Stolz.

"On the radio side, it is a steady market," Patrick says. "We are busy with a number of listings." With Greg Guy by his side, Patrick Communications' current efforts include "older owners" who are deciding to retire and sell their properties.

While that's keeping Patrick among the top media brokerage houses in the U.S., Larry Patrick can't keep his eye on the Nation's Capital, hopeful that some regulatory relief may soon be at least up for discussion. "The single biggest move that would jump-start the radio industry is further ownership deregulation," Patrick says. "The FCC is way behind in addressing multiple ownership issues. The Commission's myopic view of radio as existing in its own silo without understanding that the major tech companies are competing with radio stations for local advertising dollars is severely damaging the radio industry."

The second problem for radio transactions, Patrick says, is at the macro level. "Wall Street investors and some lenders have turned away from radio, as they simply do not recognize the growth and importance of digital to the radio industry," he says. "Those radio companies that have

“The single biggest move that would jump-start the radio industry is further ownership deregulation.”

— Larry Patrick

invested in digital assets operating in conjunction with their broadcast signals are experiencing strong revenue growth. Those who ignore digital do so at their peril.”

FLOWERS IN THE DESERT

While the overall deal-making marketplace has slowed for broadcast media, the activity seen at Kalil & Co., again the No. 1 broker as ranked by Kagan, has kept VP **Lou McDermott** and his Tucson-based team active. “The marketplace is keeping us busy,” he shares. “We are marketing and closing on both radio and television stations.” Among the recently completed transactions that involved Kalil & Co. is the sale by Long Communications LLC of WHKY-TV, a UHF property within the Charlotte DMA. The buyer? Family Worship Center, perhaps signaling interest in television stations by broadcast ministries.

Or maybe that was an anomaly, given the healthy valuations and activity otherwise seen in 2023 when it comes to broadcast television stations. Kalil & Co. was the broker in the sale of KUSI-51 in San Diego to Nexstar Media Group, the nation’s No. 1 owner of TV stations. The deal is valued at \$35 million, “plus a customary working capital adjustment.”

On the radio side of Kalil’s brokerage, it handled the sale of 18 non-essential radio stations from TelevisaUnivision to Latino Media Network (LMN). McDermott also shares, “We have a few larger-market deals we are working on, which should become public over the coming months.” This extends the narrative that, because the FCC’s LMS may not be receiving many applications for regulatory approval from attorneys representing sellers, there’s no activity in the marketplace at the present time.

Meanwhile, McDermott deviates from other brokers when it comes to the topic of bringing new dollars to radio. “Fresh capital entering the business is always a good thing, but there are enough owners with long-term banking relationships to ensure that established broadcasters are still able to acquire clusters that make sense for them,” he says.

McDermott’s optimism, however, is contrary to other brokers who continue to hunt for buyers and sellers. **Bob Heymann**, a former radio station owner who today is a Chicago-based Director for Media Services Group, thinks it is a “very difficult market,” for various reasons. One is a “lack of inventory.”

He explains, “The Telecom Reform Act of 1996 is the basis of current ownership regulations. It is hard to believe, but we are heading toward the 30-year anniversary of that monumental change in broadcast ownership limits. In the intervening years, markets have been clustered, and we are not seeing much activity since many groups are at their market caps. It is possible, however, for strategic swaps.” That occurred in Boston and in Las Vegas, where Audacy Corp. and Beasley Media Group traded properties.

Another key reason the marketplace remains challenging, in Heymann’s view, has to do with the price tags. “There is still this unrealistic, lingering belief among sellers regarding the value of their stations,” he says. “When I take on an assignment as the seller’s broker, I try to create as much demand as possible. The economists call this making an ‘efficient market.’ The challenge is that in creating the ‘market’ for a station, the seller might be greatly disappointed in what the market says. Having just gone through this with a recent sale of an excellent cluster, I can attest to this gap.”

Asked about access to capital and calls for further deregulation, which does he believe is key to igniting the radio broadcasting industry — and new deals? “The short answer is both,” Heymann shares. “As broadcasters, we tend to think that our industry is the ‘be all and end all.’ In reality, private equity and venture capital have a universe of industries in which to choose their investments. Let me put it another way: if your choice was to invest in broadcasting or AI, where do you think smart money will go in 2023?”

Regarding further deregulation, if the FCC were to revise the local ownership caps, there would be significant activity. We have spoken with established groups that would love to acquire the weakest cluster in their markets if it were allowed under new cap limits or no local cap limits.

EBB AND FLOW

As a media broker who has been highly active for years, does Kalil & Co.’s McDermott believe we are in times never seen before when it comes to the number of active brokers, as determined by Kagan? “I recall a thinning of the ranks in 2008, and it was similar to what we are seeing now,” he says. “There seems to be an ebb and flow as brokers retire and new entrants work to establish themselves in the business. We benefit from a longer-term view. Having been in business for over 50 years, we know from experience tough times do not last.”

For Larry Patrick, “The ranks of brokers are falling quickly due to retirements and some brokers simply moving into other activities. Some are moving into investment banking, equipment sales, social media ventures, and other activities.”

The result? “There remains a core of strong brokerage firms and a handful of boutique brokers who continue to find transactions and are getting deals done,” Patrick says. “We are busy with both radio and TV, and we are looking forward to the future.”

Heymann has a very different answer to the question of whether these are the worst of times for media brokers. “My guess is that the actual number of brokers committed to doing transactions is much, much less [than 29],” he says. “There just haven’t been enough deals to support devoting full-time attention to this profession. I just can’t imagine a recent college graduate wanting to become a radio/TV broker. There is an old joke that has never been more true: A radio/TV broker needs two things — a working phone and a working wife! In 2023, I’ll add one more thing: a large personal net worth.”

But perhaps Kozacko, who is in his late 80s, has the most realistic and optimistic perspective on the state of media brokerages in 2023. “There will always be several brokers because we serve a definite need. Every station transaction won’t be a multimillion-dollar deal, but there will be a continued need for buyers, and perhaps 2022 was a somewhat unique year. In the past there were about 40 brokers, and I would say that there are 40 today. I don’t see that changing this year.”

AI AND ATSC 3.0: BITPATH'S LATEST TECH TRIUMPH

In 2022, ATSC 3.0 rollout player BitPath demonstrated how broadcast internet can power vastly improved navigation systems for autonomous vehicles. Now, BitPath is demonstrating how facial recognition software can get a boost from the new digital broadcast TV standard.

It's been proclaimed by Nexstar Media Group founder and Chairman/CEO Perry Sook as a multibillion-dollar revenue opportunity. Perhaps that is why he's teamed up with Sinclair Broadcast Group President/CEO Chris Ripley to sit on the board of directors of **BitPath**, the creator of a broadcast data network designed to meet the exploding demand for IoT empowerment.

That's the "internet of things," in case you haven't heard. And while 5G and 6G technology are commonly known among consumers, that capacity is limited. Therefore, what would power autonomous vehicles, appliances, power grids, and even oil refineries? Enter the next-generation broadcast television station company with a tech solution that's still in its embryonic stages.

Since the 2022 NAB Show, BitPath President/CEO **John Hane** and Chief Operating Officer **Sasha Javid** have been meeting directly with key decision-makers at some of the nation's biggest broadcast television companies to show them what's already in development. For Javid, ATSC 3.0 digital broadcast signals are far more than NEXTGEN TV birthing apparatuses. Rather, the new digital broadcast standard is the "AI backplane" and a key software delivery mechanism.

This plain-and-simple future IoT solution is, to Hane and Javid, a step toward that \$15 billion industry data services revenue estimate for 2030 — future dollars based on projections Wall Street has yet to validate, given the current stock prices of many of the TV station owners that could greatly benefit from ATSC 3.0's further rollout.



John Hane

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The introduction of ATSC 3.0 “lighthouse” facilities, ahead of single-frequency networks (SFNs), sees BitPath working with major broadcasters in a different way than the Anne Schelle-led Pearl TV, which is the advocacy organization that’s one part marketer and another part technology coordination. “We’re all working on this together,” Hane says, refuting any notion that BitPath and Pearl TV are competitors in the rollout of ATSC 3.0.

“They are not a commercial service entity,” Hane says of Pearl TV. “Our job is to sell data capacity, and you can’t sell capacity that is not there.”

A TWO-PHASED BUSINESS

To reach that BitPath business goal, it is taking what it calls a two-phased business development approach. Phase One saw the development, as demonstrated in 2022, of geotargeted data services. “That can be launched today,” Javid says. Now, Phase Two — a post-transition ATSC 3.0 game plan — is being implemented by BitPath.

The customer benefits being promoted include higher data rates, variable value per bit, and marketers that are larger and more mature. With more coverage, a deeper core network will come to life, Hane notes.

The ready-to-launch offering from BitPath is tied to its “NavPath” product, focused on navigation systems that could one day be fundamental in autonomous vehicles. The other mapping solution is called “BitPoint,” and focuses on positioning. A commercial trial is currently underway in Portland, Ore., a city full of mixed terrain and transportation modes, too. Hane and Javid believe the launch of BitPoint is on track for the end of 2023.

This brings Javid to a demonstration for **RBR+TVBR**, conducted at the 2023 NAB Show as one of many in-suite meetings with broadcast television industry leaders, of how ATSC 3.0's broadcast data capabilities are fueling machine learning opportunities. Case in point: updates to oil refinery sensory devices, which will no longer require one-to-one communications technology thanks to the broadcast data capabilities ATSC 3.0 signals bring.

What's the potential for that business launch, from a dollar-generation perspective? Hane puts machine learning revenue projections at \$50 million by Year Five, in its



BitPath COO Sasha Javid demonstrates the company’s latest ATSC 3.0-powered technology during one of several 2023 NAB Show in-suite meetings.

image recognition software to identify a subject and then broadcast those updates in real time to a camera via ATSC 3.0 signals,” Javid says.

Asked if there is any fear that such capabilities could infringe on personal freedoms, Javid and Hane explained that the technology was designed to be an aid — and boost tools already in use by the proper authorities. Thus, broadcast television stands to gain from providing another community service, one that goes beyond what appears on the air.

PROMISES OF TOMORROW

With BitPath’s network approaching 50% national coverage and other ATSC 3.0 stations adding an additional 10%, the ATSC 3.0 network in the U.S. reaches almost 60%. To be clear, BitPath is not the exclusive rollout organ for ATSC 3.0, and metropolitan areas such as Miami, Orlando, and Phoenix have taken a different debut route. But, Hane stresses, the industry is united with respect to the end goal: bringing broadcast data applications to life.

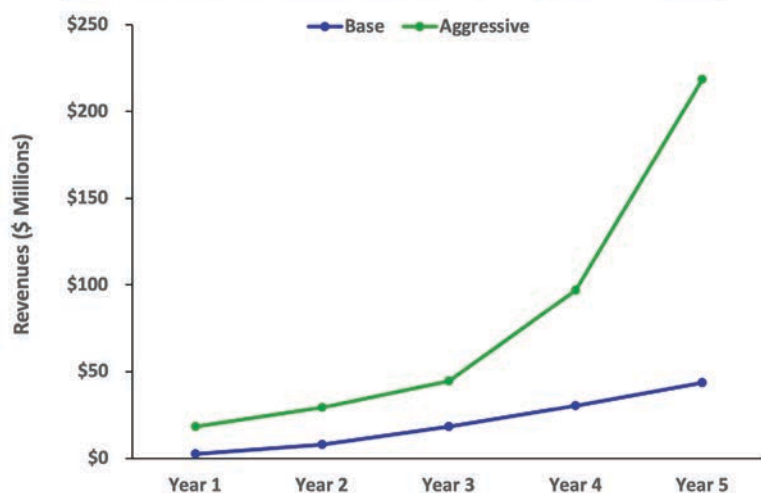
The story being shared now: updates to machine learning models deployed in thousands of embedded devices represents a high-growth category that can benefit from a broadcast architecture. “Ultimately, even large ML models could be distributed by ATSC 3.0,” Hane says.

That’s because the use of ML for image recognition is one of the most popular AI applications. Also important is that image recognition software enhanced by ML is already in the marketplace.

As such, BitPath declares, “The hype is real ... Our models confirm sufficient capacity to enter the machine learning market prior to a full ATSC 3.0 rollout.” Indeed, a DMA map of the U.S. as of April 28, shared with RBR+TVBR following the NAB Show, indicates that every television market has available capacity. That said, New York and San Francisco have the lowest capacities of any DMAs at this point, while the Mid-Atlantic and Midwest have some of the highest. But San Francisco just launched in late March, with Nexstar-owned KRON-4 the lighthouse station.

“Even in the aggressive case model, there exists enough ATSC 3.0 bandwidth across broadcasters to support this application,” BitPath concludes.

5-Year IoT ML Revenue Opportunity for BitPath



BitPath projections graph

base case. Its “aggressive case” puts the potential ML revenue at a jaw-dropping \$260 million.

There are more dollars on the way, incredibly. And those dollars can be had from bringing more data and information to facial recognition systems used by law enforcement and government entities across the U.S.

While that thought may conjure up scenes from the science-fiction film *Minority Report*, a 2002 release set in 2054 in which coronial-based

identification is a part of everyday life, the BitPath solution is to feed the “who” behind the facial scans tied to police APBs, or other investigative purposes. “We just think there’s a lot of commercial appeal to it. What if we can network-enable more cameras?”

A demonstration of the facial recognition software was conducted by Javid. With a few clicks and a facial scan, a reporter’s basic personal information popped up on screen. “We use ML to train an open-source



THE AI-POWERED NEWS OPPORTUNITY

Raoul Wedel chats exclusively with RBR+TVBR on a new product, fueled by artificial intelligence, that can bring news, traffic, sports, and weather to radio stations that may not have the budget to do so otherwise.

Two years ago, **Raoul Wedel** considered himself to be a “nomad in the desert” when it came to synthetic voices. Today, thanks to ChatGPT and similar solutions, Wedel is perhaps a pioneer in the AI-generated media space. And he’s perfectly fine finding himself in this role, as every broadcast media company and web publisher in the U.S. takes the step to become future-proof.

With his **Adthos** ad sales platform, Wedel has been in the driver’s seat on revolutionizing audio advertising. At first, ad-serving technology for radio and online streaming was a focal point for Adthos. With its second release, “the first broadcast-quality AI-generated voice technology” can produce targeted advertising at a moment’s notice, Wedel says. This includes self-service, 100%

AI-generated audio ads for radio, podcast, and streaming.

Now, there’s a video solution being marketed by Wedel, who serves as CEO of Switzerland-based Adthos. “As advertisers increasingly depend on multimedia campaigns to convey their message, it was a natural progression for us to extend the same flexibility that Adthos offers for audio, to video,” he says. “From now on our publishing and broadcasting customers and their advertisers have a new way to reach more audiences, in more languages, and even faster than ever before.”

While Adthos Creative Studio’s AI-generated audio for video and dynamic video ads enjoyed a mid-May 2023 rollout, the future of AI and synthetic voices is poised to begin a whole new chapter in the coming weeks. And that is thanks to new



Raoul Wedel

capabilities associated with the Adthos Creative Studio.

“Under development for five years, it is a mature product, used by major broadcasters,” Wedel says. The AI technology can write a script, and then selects voices based on the target audience of the client. Then, music and any requisite sound effects are chosen. From there, mixing and production is undertaken. The result? A ready-to-air

AI-generated news, traffic, sports, or weather update accessible from a browser-based short-form content-creation platform.

The technology is already being demonstrated by Talpa Network, the Dutch media company that's parent to such heritage brands as Radio 538 and Veronica. Classic Hits-focused Radio 10 is the Talpa audio brand using the Adthos technology.

A demonstration of what the Adthos Creative Studio's AI can do was at the heart of Wedel's 2023 NAB Show in-suite meetings with potential clients. Moving beyond the "spec spots" and "self-service microtransactions" already seen with the studio platform, the Adthos tech team trained its AI to use voices based on "famous actors with at least 1,000 IMDB credits," Wedel says.

RBR+TVBR was given a demonstration of the AI-generated audio news report. The newscast presentation, to a veteran broadcaster's ear, seemed obviously computer-enhanced, while the tone of the voice was perhaps too conversational. That will be addressed and changed as the product readies its commercial rollout.

An AI-generated traffic report with a female voice sounded more natural, with just a hint of a "Siri"-like delivery. The demonstration was designed for a Los Angeles-market audio content provider, not necessarily a radio station. "In the U.S. the demand is podcasting and streaming," Wedel says. Asked if radio companies have expressed interest, he shakes his head, saying that "it is harder to drive change" with this audience.

However, should podcasts and audio streams from the likes of Spotify adopt the technology, that further brings non-radio audio solutions closer to radio. And that's something every broadcaster should be highly mindful of as "Adthos for News" is now ready for launch, with a rollout scheduled to be in progress by mid-June.

To be clear, it is not Wedel's desire to compete with journalists. "We are not going to want to go into the news content production business," he says. "We are using newsroom systems like [newsroom automation system] NewsBoss and [news software] Burli."

Haven't heard of Burli? The technology that allows Burli's

newsroom systems to help electronic journalists gather, edit, broadcast, and publish the news is in use at the No. 1-billing radio station in the U.S., Hubbard Broadcasting's WTOP News in Washington, D.C. It is also in place at WFAN, the world's first Sports Talk radio station, in New York; at Global's newsroom in London for its U.K. radio stations; and at Canada's Bell Media and Corus.

For "Adthos for News," available through the Adthos Creative Studio, the APIs were in the process of being finalized in mid-April 2023.

Once the service is up and running, Wedel believes it can help radio stations and other audio content creators and distributors, in particular those with limited resources that seek to attract a wider audience. What the offering is *not* designed to do is reduce the work force.

"This is not replacing jobs," Wedel concludes. "We see this as a solution for small-market stations with very limited resources, which seek personalization for their on-air offerings."



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SAY GOODBYE TO THE RADIO RATE SHEET

At the NAB Show, Revenue Analytics made it clear that “dynamic pricing” for radio and TV is an opportunity that exists today.

It considers itself to be a pioneer of revenue management, founded in 2005 to bring custom pricing software to those in the manufacturing and hospitality industries. By 2008, it was rolling out the first hotel price-optimization tool.

Two years later, in 2010, Revenue Analytics pivoted. With broadcast media in a post-“Great Recession” funk, the first rate card optimization and demand forecasting tool to the broadcast radio industry was brought to fruition. The goal, says SVP of Revenue Analytics’ media vertical **Steph Garfrerick**, was to develop “high-powered analytics to help people make pricing decisions.”

The result was the launch of RateOptics as a dynamic pricing and yield management tool for the radio and TV industry. This effectively put the traditional radio rate sheet out to pasture for some media companies. Why? “It offers pricing on demand, and can determine what the demand is,” Garfrerick says. Importantly, it shows the broadcaster what a client is willing to pay at that given moment for an available slot.

With Upfronts in progress for the national networks and NewFronts focused on audio and video streaming and on-demand digital options, the “Scatter” market is traditionally what comes next. Trends show both Upfront and Scatter dollars are being thrown elsewhere. Then there is the local broadcaster with different core advertising challenges. With the RateOptics product, real-time bidding for the linear, over-the-air local spot is now an option for both client and station.

Kelly Norton, Corporate



Steph Garfrerick

Director of Revenue Management at Beasley Media Group, is a fan. “Our sales team can access key data faster than ever before,” she says. This allows Beasley to make data-driven decisions as the sales process speeds up. Al Lustgarten, the acclaimed SVP of Technology and Information Services at Hearst, adds, “As the marketplace evolves, better analytical tools will be required by our sellers.” For Hearst, Revenue

Analytics’ capabilities were seen as a major additive to the television station owner’s bottom line.

With companies such as iHeartMedia, Gray Television, Cumulus Media, and Audacy Inc. using RateOptics, modernizing the media sales process has allowed local sales leaders to focus on what they do best: closing the sale. Previously, Garfrerick says, “You had an LSM building out static rate cards, updating them at varying frequencies. These are time-sensitive and were often the task of sales managers who may have been underperformers. Now, we can level up the pricing possibilities.”

The COVID-19 pandemic brought a silver lining to Revenue Analytics, in that it ultimately led the company to accelerate the need to be smarter and better when considering pricing and inventory. For Garfrerick, the biggest shift has come on the TV side of the media business. How so? Erasing “revenue leakage” through reliance on a human is being diminished, Garfrerick says, noting that mispriced-inventory concerns are eliminated. “We are bringing efficiencies and time savings, and the revenue benefits is the cherry on top,” she comments. “There are super-manual processes that can be cumbersome. Now, we are not relying on an individual to determine the inventory.”

For RateOptics, now is what Garfrerick and her team consider a “pivotal time,” especially as legacy systems at stations acquired by larger companies over the last decade are finally upgrading their sales software. “We’ve seen a ton of growth, and I am optimistic that there will continue to be an evolution in this space,” Garfrerick concludes.

AIRTIME RATE CARD					
SPOT BUY RATE	WEEKDAYS		WEEKENDS		
	CASUAL	FESTIVE	CASUAL	FESTIVE	
SPOT BUY	1,800	1,980	450	495	
TIME ZONE					
6am-10am	780	858	390	429	
10am-12.30pm	700	770	390	429	
12.30pm-1pm	600	660	350	385	
1pm-4pm	1,100	1,210	350	385	
4pm-8pm	500	550	100	110	
8pm-1am	100	110			
1am-6am					

RUN OF STATION (ROS) RATE						
ROS	NATIONAL		CENTRAL		NORTHERN	
	CASUAL	FESTIVE	CASUAL	FESTIVE	CASUAL	FESTIVE
TIME ZONE	680	748	400	440	300	330
Mon-Sun	900	990				
Mon-Fri	500	550				

*All rates quoted are based on a 30-second commercial
*Festive Period: 10 January - 13 February 2022

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