

## Retransmission Consent Subscriber & Revenue Forecasting

As retransmission consent revenues to broadcasters increase in volume and complexity, the material nature of this revenue stream has created the need for more precise and robust financial forecasts. MAI's forecasting services is comprised of a set of standardized or customizable reports generated out of MAI's proprietary VMetrics™ software and delivered each month.

### Deliverables:

On a monthly basis MAI will provide (Excel-based file):

- **By MVPD:** Projections by MVPD, Service/Station, Subscriber Type, Contract End Date, Paid Subscribers, Contract Rates and Projected Revenue
- **By Market:** Projections by Market, Service/Station, Subscriber Type, Paid Subscribers, Contract Rate and Projected Revenue

Variance Analysis: Compares month-over-month changes in the revenue projections by MVPD or client-specified criteria. Report presentation consists of:

- Annual projection by calendar year
- Rolling 12-month period
- Other period under review

### Methodology:

The VMetrics™ extract and model works as follows:

- For periods where Actuals have been reported or paid, the report multiplies the Paid Subscribers by the applicable Contract Rates to calculate the Projected Revenue (supplemental subscriber trending available)
- For *unpaid periods*, the report extracts Last Actual Paid Subscribers and multiplies those subscribers by the applicable contract rates to calculate Projected Revenue (supplemental subscriber trending available)
  - As remittances are entered and the report is generated, the Projected Revenue in future months is updated automatically
  - When a Contract End Date occurs before the end of a 12-month period, MAI calculates subsequent period forecasts for Paid Subscribers, Contract Rate, and Projected Revenue using the new contract terms in VMetrics™
- Variance Analysis: the forecast period in Period 1 is compared to the forecast period for Period 2 (based upon the supplemental Actuals data entered into the system following the second data extraction)

Service	Subscriber Type		4/30/2017	5/31/2017	6/30/2017	7/31/2017	8/31/2017	9/30/2017	10/31/2017	11/30/2017	12/31/2017	Grand Total	
WZYA - TV	Basic - In Market	Paid Subscribers	3,817	4,049	4,052	4,010	4,010	4,010	4,010	4,010	4,010		
		Contract Rate	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	
		Projected Revenue	\$954	\$1,012	\$1,013	\$1,003	\$1,003	\$1,003	\$1,003	\$1,003	\$1,003	\$1,003	\$11,870
WEFG - YXX TV	Basic - In Market	Paid Subscribers	2,007,754	2,001,125	2,001,125	2,001,125	2,001,125	2,001,125	2,001,125	2,001,125	2,001,125	2,001,125	
		Contract Rate	\$0.62	\$0.62	\$0.62	\$0.62	\$0.62	\$0.62	\$0.62	\$0.62	\$0.62	\$0.62	
		Projected Revenue	\$1,244,808	\$1,240,698	\$1,240,698	\$1,240,698	\$1,240,698	\$1,240,698	\$1,240,698	\$1,240,698	\$1,240,698	\$1,240,698	\$14,893,585
WLMN - BBB TV	Basic - In Market	Paid Subscribers	2,016,730	2,012,480	2,012,950	2,010,123	2,010,123	2,010,123	2,010,123	2,010,123	2,010,123	2,010,123	
		Contract Rate	\$2.10	\$2.10	\$2.10	\$2.10	\$2.10	\$2.10	\$2.10	\$2.10	\$2.10	\$2.10	
		Projected Revenue	\$4,235,134	\$4,226,207	\$4,227,195	\$4,221,258	\$4,221,258	\$4,221,258	\$4,221,258	\$4,221,258	\$4,221,258	\$4,221,258	\$50,684,072
	Basic - Out of Market	Paid Subscribers	2,962	2,958	3,000	3,125	3,125	3,125	3,125	3,125	3,125	3,125	
		Contract Rate	\$1.75	\$1.75	\$1.75	\$1.75	\$1.75	\$1.75	\$1.75	\$1.75	\$1.75	\$1.75	
		Projected Revenue	\$5,184	\$5,177	\$5,250	\$5,469	\$5,469	\$5,469	\$5,469	\$5,469	\$5,469	\$5,469	\$63,936

- Supplemental Analyses:
  - Trending
  - Subscriber seasonality
  - TV station acquisitions and divestitures
  - Expanded forecast periods (12 months or more)

*This service is available now; pricing is available upon request. Please contact your MAI representative for more information.*