

BUY:
EDR

Current Price:
\$24

Target Price:
\$32

Upside:
35%

Endeavor Group Holdings (NYSE: EDR)

Communication Services Sector

Sector Head: Caitlin McMahon

Senior Analyst: Thomas Vitale

Junior Analysts: Kaden Davidson, Jonathan Jimenez

Executive Summary

ENDEAVOR

Investment Thesis and Key Statistics

Current Price
\$24

Target Price
\$32

Upside
33%

52 Week Range: 17.65-26.26

Market Cap: 7.3 B

TTM Revenue: 5.6 B

EV: 13.6 B

TTM Earnings: 135.8 M

CEO: Ariel Emanuel

Headquarters: Beverly Hills, CA **IPO Date:** 4/29/2021

Recent News

- Closed a merger between the WWE and the UFC
- EDR owns 51% of TKO Group-Holdings
- The first 18 months of TKO's exigence will revolve around integrating the UFC and WWE
- After that, "We will ultimately be in the marketplace looking for other sports properties that we can bolt onto the flywheel enhanced by Endeavor"

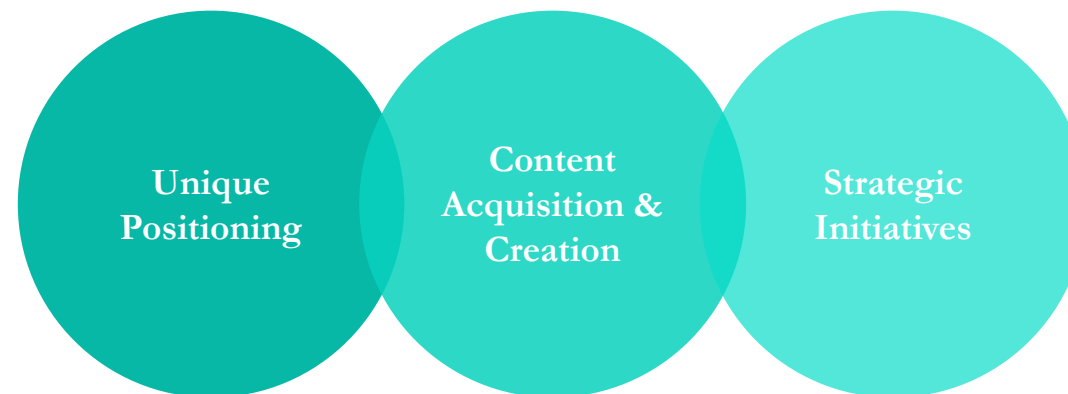
Owned Sports Properties



Management/Representation Groups



Basis for Growth



Industry Overview

Key Media & Entertainment Trends

- The surge in streaming services challenges traditional broadcasting
- Post-pandemic, live events' resurgence impacts Endeavor's talent representation, event management, and live production
- Media's global trend opens avenues for Endeavor's international growth, especially in emerging markets.

EDR Viewership Numbers



- 41 events; 36 Sellouts
- 13 PPV's; 800,000 AB
- 40% of fan base is Millennials and 52% aged 35-44

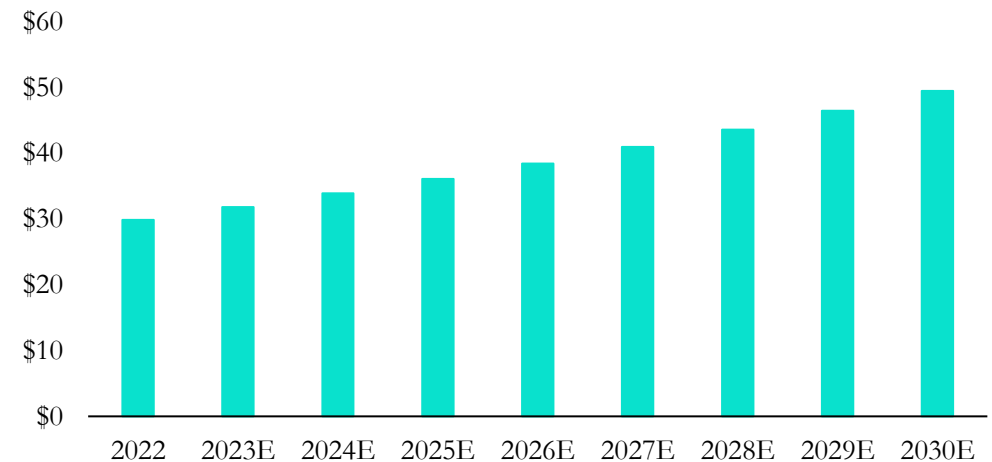


- 1.5M WWE Subscribers
- 2.26M Viewers per Event
- United States only makes up 35% of viewership

Competitors

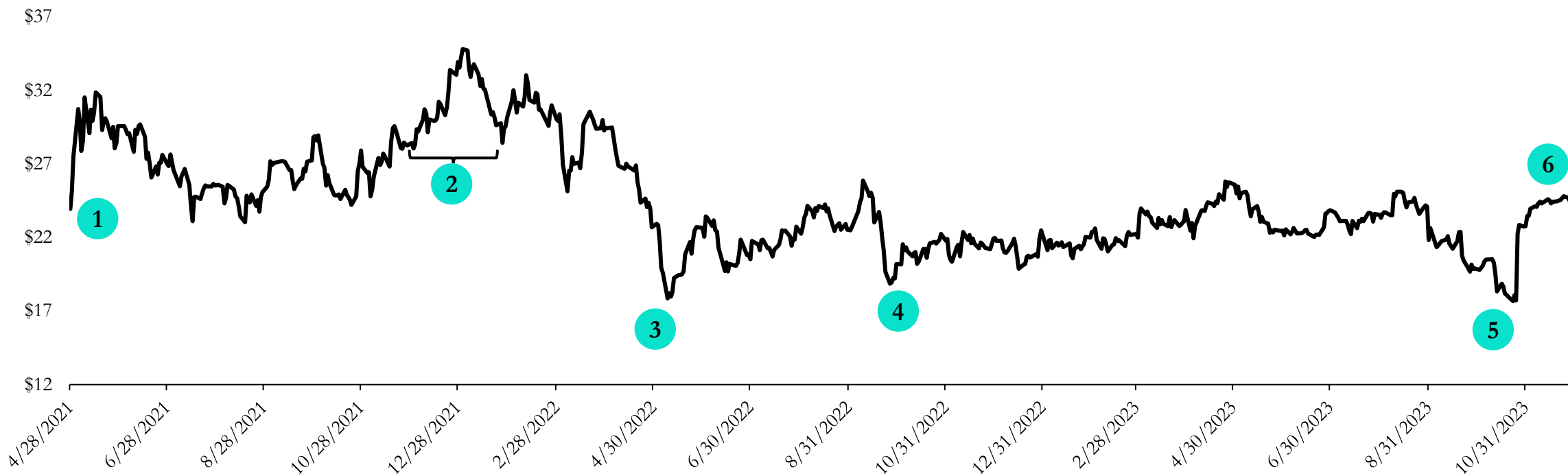


Entertainment Industry Market Growth (in billions)



Annotated Stock Performance

ENDEAVOR



1

April 2021: Endeavor Group Holdings IPOs in late April on NYSE at \$24

2

Q4 2021: Multiple subsidiary acquisitions & deals take place within a variety of industries

3

April 2022: On Location & EDR China became wholly owned subsidiaries

4

Aug 2022: Sold Diamond Baseball Holdings & acquired majority stake in Barrett-Jackson

5

Sept 2023: WWE and UFC deal closes & TKO IPOs on NYSE

6

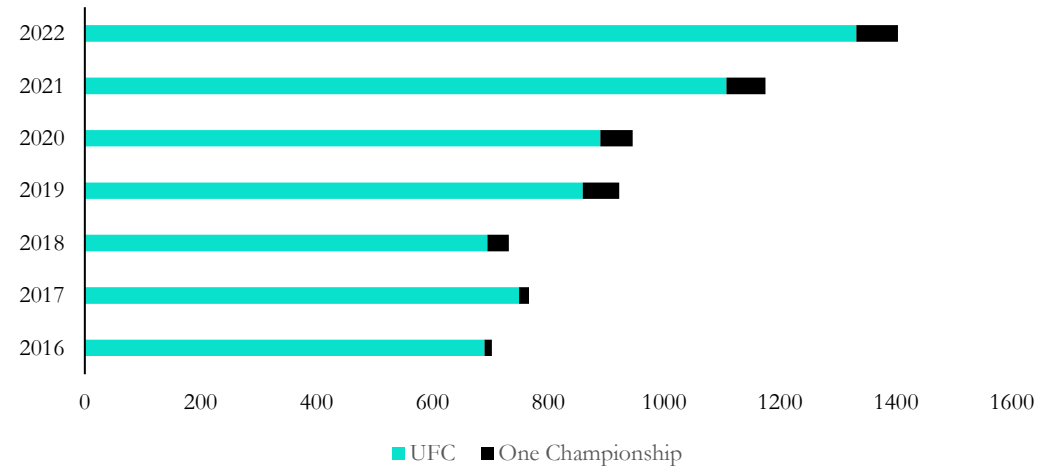
October 2023: EDR announces review of strategic alternatives

Positioning in Entertainment Industry

Global Brand Expansion

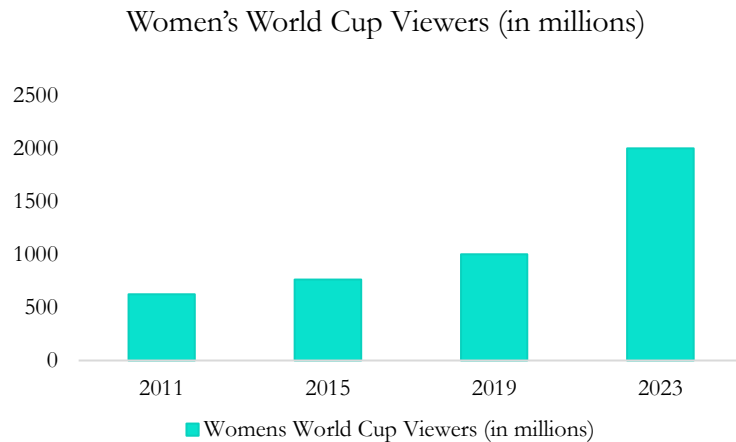
- UFC under Endeavor is strategically expanding globally, opening Performance Institutes in countries like Mexico to tap into new markets
- Unlike their competitors the UFC are branching out to other countries
- They dominate most of the combat sports industry

UFC vs One Championship Revenue (in millions)



Women's Sports Viewership Growth

EDR Streaming powers the National Women's Soccer League (NWSL)'s first-ever global streaming service, launched in 2023



Endeavor's Impact In The Sports Industry

Endeavor Streaming provides streaming for major sports leagues, teams, and organizations. It plays a significant role in the digital distribution of sports content

Endeavor has made strategic investments in various sports-related businesses and ventures, expanding its influence and contributing to the growth of the sports industry

They represent a wide range of athletes across various sports, negotiating contracts, and managing their professional careers

Content Acquisition and Creation

Recent Transactions

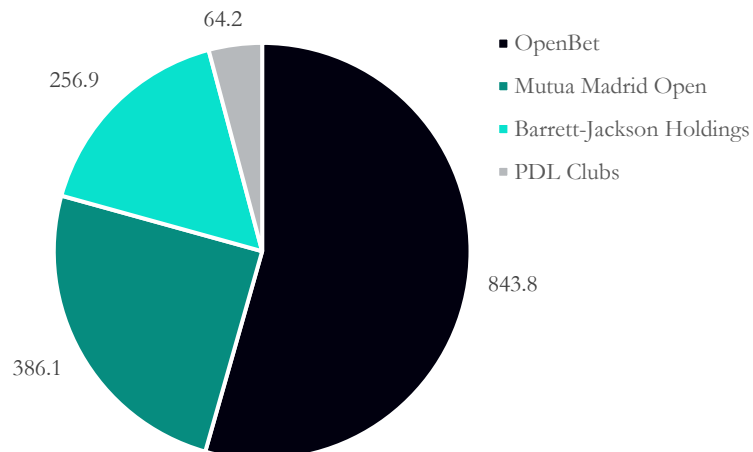
EDR completed transactions in September 2023 involving the business combination of WWE and TKO for ~ \$8.4bn, which owns UFC, leading TKO to IPO and become a subsidiary

September 2022:
Acquired sports betting company, OpenBet, to capitalize on sports gambling

March 2023:
Invested in Nonscripted production company, Asylum Entertainment Group

2022 Acquisition Transaction Values (in millions)

Total acquisition values totaled to ~ \$1.6bn in 2022



Divestiture of IMG Academy

- In Q2 2023, EDR announced it agreed to sell its subsidiary IMG Academy, a leading global sports education institution, to BPEA EQT, in partnership with Nord Anglia Education
- EDR received cash proceeds of \$1.1 billion and divested \$38.6 million of cash and restricted cash
- The Academy was included in Events, Experiences & Rights revenue segment

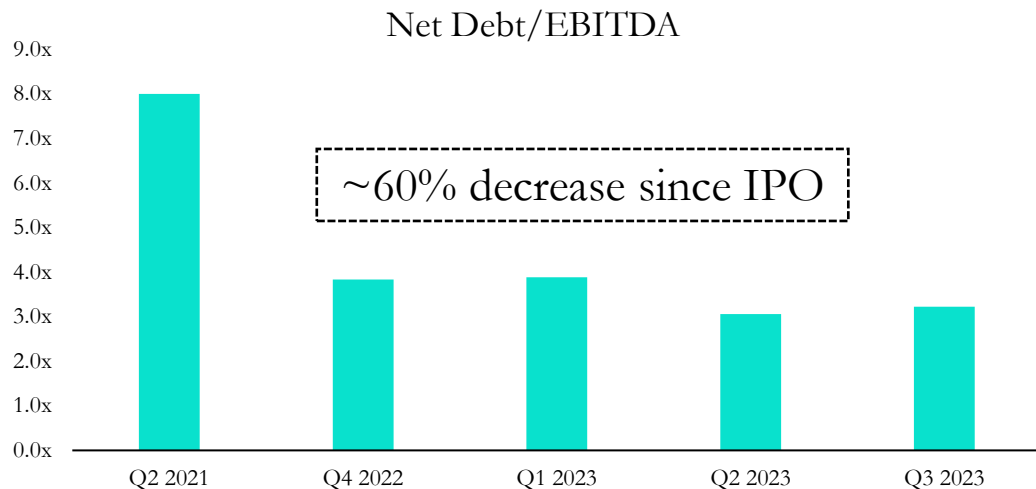
On-going Partnerships

UFC maintains a broadcast rights deal with ESPN which includes pay-per-view streaming rights until 2025

New Zealand Rugby (NZR) partnered with EDR Streaming to deliver direct-to-consumer and on-demand services to fans

Turkish Airlines EuroLeague launched live chat, marking first integration of LiveLike partnership for gamification

Aggressive Deleveraging



Private Alternatives

SILVERLAKE

Silver Lake holds 71% of voting stake at EDR

EDR CEO, Ari Emanuel, has declared his desire to evaluate strategic alternatives

Silver Lake strives to “deliver value for EDR shareholders”

Shareholder Rewards

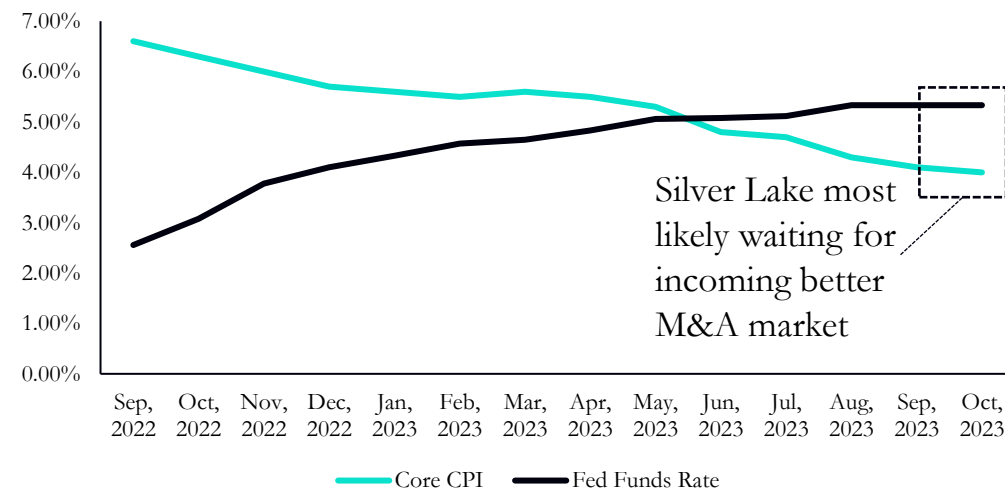
Recently EDR started paying out quarterly dividends of \$0.06 per share

On track to complete share repurchase program of up to \$300 million

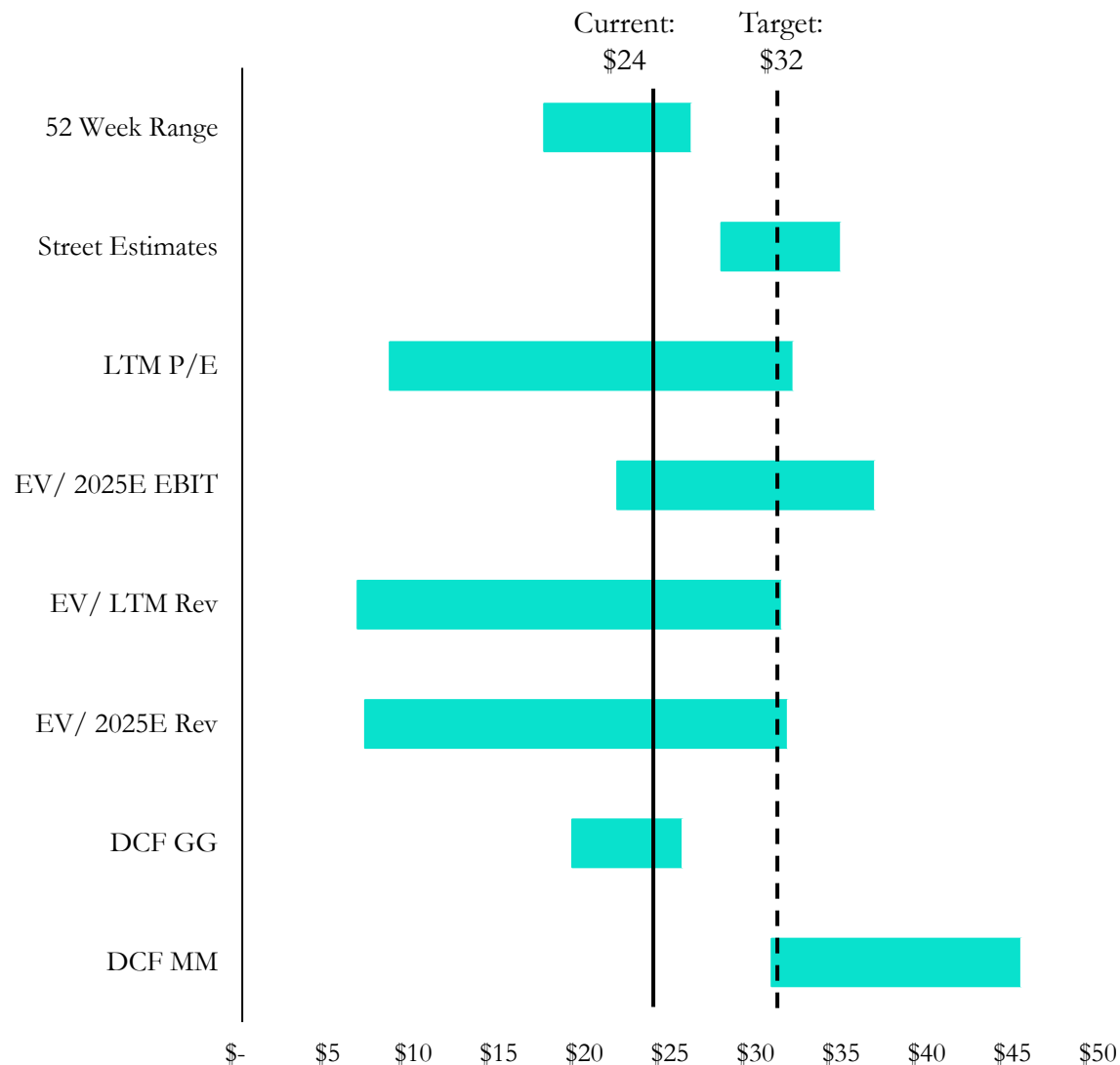


Emphasis on driving up stock price to maximize shareholder value

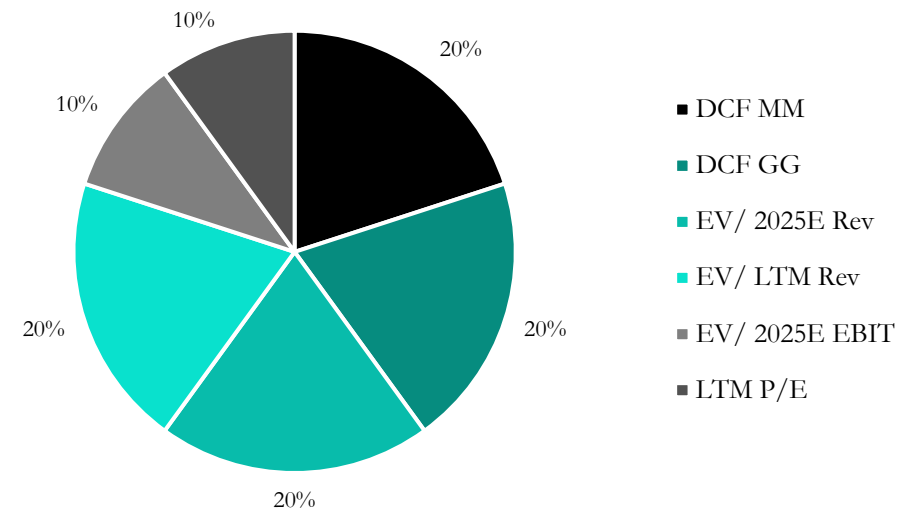
Cooling Inflation against Fed Funds Rate



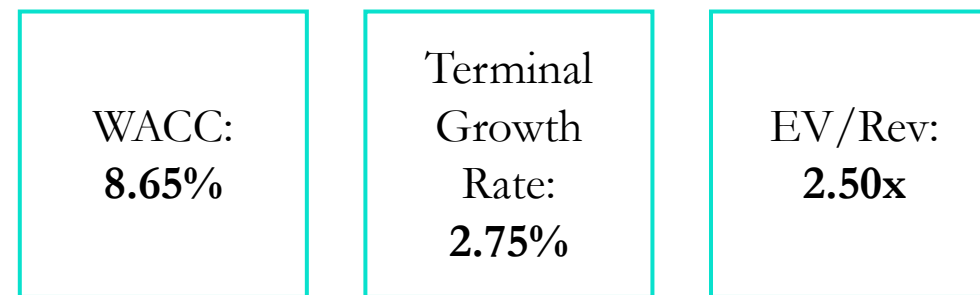
Football Field



Valuation Methodology



Key Assumptions





Possible downside of TKO's shares could negatively impact EDR's stock price due to Endeavor holding a majority ownership stake in the company



Although EDR operates very uniquely with a wide array of subsidiaries to expand into different industries, media and entertainment is a concentrated sector with alternative service providers



EDR's strategic review with Silverlake has caused the stock to jump as of late, but there is no timeline for its review of alternative options and may not produce outcomes beyond expectations

Bear Case

- EV/Revenue: 2.00x (share price of \$23)
- Divestitures end up impacting EDR operations and profitability
- Strategic review ends up not resulting in additional value

Base Case

- EV/Revenue: 2.50x (share price of \$32)
- EDR's recent acquisitions result in increased value to company
- Current partnerships continue to develop EDR's dominance in the industry

Bull Case

- EV/2025E Revenue: 2.75x (share price of \$38)
- EDR's 2023 acquisitions add value along with unforeseen synergies
- EDR goes private with high premium offer

BUY:
EDR

Current Price:
\$24

Target Price:
\$32

Upside:
35%

Thank you!

Questions?

- A: Income Statement 1
- B: Income Statement 2
- C: Statement of Cash Flow 1
- D: Statement of Cash Flow 2
- E: D&A and CapEx
- F: Balance Sheet 1
- G: Balance Sheet 2
- H: Net Working Capital
- I: Revenue Build
- J: WACC and Beta
- K: Discounted Cash Flow 1
- L: Discounted Cash Flow 2
- M: Comparable Companies Analysis 1
- N: Comparable Companies Analysis 2
- O: Methodology
- P: Revenue Segment Breakdown
- Q: WWE and TKO Transaction
- R: Going Private

Income Statement 1

ENDEAVOR

Endeavor Group Holdings Inc.														
Income Statement														
<i>(in thousands, except per share data)</i>														
	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2023	Q2 2023	Q3 2023
Revenue	3,478,743	1,069,582	1,111,272	1,391,303	1,505,556	5,077,713	1,473,763	1,312,515	1,221,416	1,260,443	5,268,137	1,596,837	1,436,212	1,344,395
Operating expenses:														
Direct operating costs	1,745,275	546,392	570,955	673,215	806,616	2,597,178	694,641	508,385	398,518	464,233	2,065,777	724,282	584,014	487,886
% of revenue	50.2%	51.1%	51.4%	48.4%	53.6%	51.1%	47.1%	38.7%	32.6%	36.8%	39.2%	45.4%	40.7%	36.3%
Selling, general and administrative expenses	1,442,316	381,113	785,101	520,626	596,718	2,283,558	540,206	587,499	601,469	629,788	2,358,962	669,213	632,671	715,231
% of revenue	41.5%	35.6%	70.6%	37.4%	39.6%	45.0%	36.7%	44.8%	49.2%	50.0%	44.8%	41.9%	44.1%	53.2%
Insurance recoveries	(86,990)	(19,657)	(10,210)	(12,233)	(26,090)	(68,190)	(993)	-	-	(106)	(1,099)	-	-	-
% of revenue	-2.5%	-1.8%	-0.9%	-0.9%	-1.7%	-1.3%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Depreciation and amortization	310,883	67,236	69,161	71,661	74,825	282,883	65,994	65,612	63,571	71,598	266,775	66,751	61,078	81,207
Impairment charges	220,477	-	3,770	754	-	4,524	-	-	689	-	689	-	-	28,196
Total operating expenses	3,631,961	975,084	1,418,777	1,254,023	1,452,069	5,099,953	1,299,848	1,161,496	1,064,247	1,165,513	4,691,104	1,460,246	1,277,763	1,312,520
Operating income (EBIT)	(153,218)	94,498	(307,505)	137,280	53,487	(22,240)	173,915	151,019	157,169	94,930	577,033	136,591	158,449	31,875
Other (expense) income:														
Interest expense, net	(284,586)	(68,351)	(83,836)	(55,783)	(60,707)	(268,677)	(59,272)	(62,505)	(75,608)	(84,870)	(282,255)	(85,097)	(90,307)	(81,956)
Loss on extinguishment of debt	-	-	(28,628)	-	-	(28,628)	-	-	-	-	-	-	-	-
Tax receivable agreement liability adjustment	-	-	-	-	(101,736)	(101,736)	(53,497)	2,405	(10,405)	(811,767)	(873,264)	2,344	10,174	(20,297)
Other (expense) income, net	81,087	(3,215)	7,933	(7,719)	7,259	4,258	459,941	(6,133)	9,325	12,118	475,251	24,433	741,657	(12,863)
(Loss) income before income taxes and equity losses of affiliates	(356,717)	22,932	(412,036)	73,778	(101,697)	(417,023)	521,087	84,786	80,481	(789,589)	(103,235)	78,271	819,973	(83,241)
Provision for (benefit from) income taxes	8,507	5,085	60,918	(7,718)	(80,562)	(22,277)	(17,234)	2,699	8,515	(642,483)	(648,503)	35,470	140,441	29,995
(Loss) income before equity losses of affiliates	(365,224)	17,847	(472,954)	81,496	(21,135)	(394,746)	538,321	82,087	71,966	(147,106)	545,268	42,801	679,532	(113,236)
Equity losses of affiliates, net of tax	(260,094)	(15,471)	(43,813)	(17,883)	4,434	(72,733)	(20,655)	(39,867)	(84,504)	(78,578)	(223,604)	(6,546)	(12,997)	(2,748)
Net (loss) income	(625,318)	2,376	(516,767)	63,613	(16,701)	(467,479)	517,666	42,220	(12,538)	(225,684)	321,664	36,255	666,535	(115,984)
Less: Net (loss) income attributable to non-controlling interests	29,616	27,246	(190,354)	21,128	2,812	(139,168)	198,120	16,414	(2,499)	(19,504)	192,551	28,224	263,361	(46,776)
Less: Net loss attributable to Endeavor Operating Company, LLC prior to the reorganization transactions	(654,934)	(24,870)	(326,413)	42,485	(19,513)	(328,311)	319,546	25,806	(10,039)	(206,180)	129,133	8,031	403,174	(69,208)
Net (loss) income attributable to Endeavor Group Holdings, Inc.	-	-	(319,597)	42,485	(19,513)	(296,625)	319,546	25,806	(10,039)	(206,180)	129,133	8,031	403,174	(69,208)
Basic (loss) earnings per share			(1.24)	0.16	(0.14)	(1.14)	1.19	0.09	(0.04)	(0.48)	0.48	0.03	1.34	(0.23)
Diluted (loss) earnings per share			(1.24)	0.16	(0.14)	(1.14)	1.16	0.09	(0.04)	(0.45)	0.45	0.03	1.29	(0.25)
Weighted Average Number of Shares Outstanding, Basic			258,266,323	278,724,574		262,119,930	268,489,176	281,623,228	285,870,317		281,369,848	291,936,777	301,011,276	301,876,322
Weighted Average Number of Shares Outstanding, Diluted			258,266,323	450,758,061		262,119,930	443,038,617	449,733,965	289,806,633		287,707,832	295,285,241	311,046,135	300,640,142

Income Statement 2

ENDEAVOR

Endeavor Group Holdings Inc.												
Income Statement												
<i>(in thousands, except per share data)</i>												
	FY 2020	FY 2021	FY 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023E	FY 2023E	FY 2024E	FY 2025E	FY 2026E	FY 2027E
Revenue	3,478,743	5,077,713	5,268,137	1,596,837	1,436,212	1,344,395	1,634,017	6,011,461	6,607,087	7,142,558	7,662,755	8,146,935
Operating expenses:												
Direct operating costs	1,745,275	2,597,178	2,065,777	724,282	584,014	487,886	575,174	2,371,356	2,606,314	2,817,542	3,022,746	3,213,742
% of revenue	50.2%	51.1%	39.2%	45.4%	40.7%	36.3%	35.2%	39.4%	39.4%	39.4%	39.4%	39.4%
Selling, general and administrative expenses	1,442,316	2,283,558	2,358,962	669,213	632,671	715,231	817,009	2,834,124	3,114,934	3,367,383	3,612,631	3,840,900
% of revenue	41.5%	45.0%	44.8%	41.9%	44.1%	53.2%	50.0%	47.1%	47.1%	47.1%	47.1%	47.1%
Insurance recoveries	(86,990)	(68,190)	(1,099)	-	-	-	-	-	-	-	-	-
% of revenue	-2.5%	-1.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Depreciation and amortization	310,883	282,883	266,775	66,751	61,078	81,207	93,793	302,829	319,254	347,485	342,065	303,799
Impairment charges	220,477	4,524	689	-	-	28,196	-	28,196	-	-	-	-
Total operating expenses	3,631,961	5,099,953	4,691,104	1,460,246	1,277,763	1,312,520	1,485,975	5,536,504	6,040,502	6,532,411	6,977,443	7,358,441
Operating income (EBIT)	(153,218)	(22,240)	577,033	136,591	158,449	31,875	148,042	474,957	566,585	610,147	685,312	788,494
Other (expense) income:												
Interest expense, net	(284,586)	(268,677)	(282,255)	(85,097)	(90,307)	(81,956)	-	-	-	-	-	-
Loss on extinguishment of debt	-	(28,628)	-	-	-	-	-	-	-	-	-	-
Tax receivable agreement liability adjustment	-	(101,736)	(873,264)	2,344	10,174	(20,297)	-	-	-	-	-	-
Other (expense) income, net	81,087	4,258	475,251	24,433	741,657	(12,863)	-	-	-	-	-	-
(Loss) income before income taxes and equity losses of affiliates	(356,717)	(417,023)	(103,235)	78,271	819,973	(83,241)	-	-	-	-	-	-
Provision for (benefit from) income taxes	8,507	(22,277)	(648,503)	35,470	140,441	29,995	-	-	-	-	-	-
(Loss) income before equity losses of affiliates	(365,224)	(394,746)	545,268	42,801	679,532	(113,236)	-	-	-	-	-	-
Equity losses of affiliates, net of tax	(260,094)	(72,733)	(223,604)	(6,546)	(12,997)	(2,748)	-	-	-	-	-	-
Net (loss) income	(625,318)	(467,479)	321,664	36,255	666,535	(115,984)						
Less: Net (loss) income attributable to non-controlling interests	29,616	(139,168)	192,531	28,224	263,361	(46,776)						
Less: Net loss attributable to Endeavor Operating Company, LLC prior to the reorganization transactions	(654,934)	(328,311)	129,133	8,031	403,174	(69,208)						
Net (loss) income attributable to Endeavor Group Holdings, Inc.	-	(296,625)	129,133	8,031	403,174	(69,208)						
Basic (loss) earnings per share		(1.14)	0.48	0.03	1.34	(0.23)						
Diluted (loss) earnings per share		(1.14)	0.45	0.03	1.29	(0.25)						
Weighted Average Number of Shares Outstanding, Basic		262,119,930	281,369,848	291,936,777	301,011,276	301,876,322						
Weighted Average Number of Shares Outstanding, Diluted		262,119,930	287,707,832	295,285,241	311,046,135	300,640,142						

Statement of Cash Flow 1

ENDEAVOR

Endeavor Group Holdings Inc.														
Statement of Cash Flow														
<i>(in thousands, except per share data)</i>														
	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2023	Q2 2023	Q3 2023
CASH FLOWS FROM OPERATING ACTIVITIES:														
Net income	(625,318)	2,376	(516,767)	63,613	(16,701)	(467,479)	517,666	42,220	(12,538)	(225,684)	321,664	36,255	666,535	(115,984)
Adjustments to reconcile net income to net cash provided by operating activities:														
Depreciation and amortization	310,883	67,236	69,161	71,661	74,825	282,883	65,994	65,612	63,571	71,598	266,775	66,751	61,078	81,207
Amortization and write-off of original issue discount and deferred financing cost	22,732	7,139	21,668	5,080	5,092	38,979	5,099	5,103	6,784	5,370	22,356	4,656	4,607	4,698
Loss on extinguishment of debt	-	-	28,628	-	(57,256)	(28,628)	-	-	-	-	-	-	-	-
Amortization of content costs	38,283	10,730	62,552	246,562	265,027	584,871	9,848	3,839	4,848	4,667	23,202	4,026	22,199	6,527
Impairment charges	220,477	-	3,770	754	-	4,524	-	-	689	-	689	-	-	28,196
Net gain on sale/disposal and impairment of assets	(12,471)	2,539	(5,051)	2,512	(7,662)	(7,662)	1,108	1,225	(2,940)	(225)	(832)	(1,097)	(22)	19
Gain on business divestiture	(30,999)	-	-	(2,408)	2,408	-	(478,641)	-	(28,312)	(1,486)	(508,439)	(6,183)	(743,982)	(233)
Equity-based compensation expense	91,271	16,491	387,017	60,885	68,074	532,467	50,856	60,607	48,388	50,312	210,163	78,691	61,760	62,104
Change in fair value of contingent liabilities	(3,671)	4,572	9,806	36	1,790	16,204	790	1,426	27	130	2,373	(177)	2	12
Change in fair value of equity investments with and without readily determinable fair value	316	(5,205)	(6,080)	(849)	(1,974)	(14,108)	(1,851)	(11,691)	(291)	1,593	(12,240)	(681)	(21)	(110)
Change in fair value of financial instruments	(3,486)	16,482	4,552	5,778	9,332	36,144	6,915	6,719	7,159	(14,543)	6,250	(16,991)	(18,181)	(13,938)
Equity losses of affiliates	260,094	15,471	43,813	17,883	(4,434)	72,733	20,655	39,867	84,504	78,578	223,604	6,546	12,997	2,748
Net (benefit from) provision for allowance for doubtful accounts	38,542	(352)	(3,564)	(1,921)	(1,977)	(7,814)	5,128	2,392	4,653	(12,595)	(422)	2,083	(3,681)	1,315
Net (gain) loss on foreign currency transactions	9,047	(2,966)	(2,190)	11,312	(1,203)	4,953	8,487	9,275	10,591	(8,164)	20,189	(5,248)	(7,085)	538
Distributions from affiliates	9,405	1,202	(300)	2,979	1,905	5,786	2,009	1,577	1,619	2,228	7,433	1,369	1,347	1,261
Tax receivable agreement liability adjustment	-	-	-	-	101,736	101,736	53,497	(2,405)	10,405	811,767	873,264	(2,344)	(10,174)	20,297
Income taxes	(13,401)	(4,782)	47,124	(16,294)	(99,803)	(73,755)	(25,787)	(5,395)	2,158	(679,574)	(708,598)	26,462	132,064	17,114
Other, net	2,225	88	86	(1,605)	88	(1,343)	(442)	616	(1,043)	680	(189)	226	3,036	(408)
Changes in operating assets and liabilities - net of acquisitions and divestitures:														
Increase in receivables	313,989	(76,788)	(65,019)	(156,497)	(53,281)	(351,585)	(157,050)	(85,271)	(57,110)	21,232	(278,199)	(73,379)	7,937	7,465
Increase in other current assets	59,041	12,578	(10,253)	(50,835)	(41,686)	(90,196)	(4,960)	(102,491)	56,275	(28,387)	(79,563)	21,302	(141,573)	44,611
Decrease/(increase) in other assets	(268,918)	(189,401)	(301,314)	(208,952)	(101,277)	(800,944)	(37,183)	(44,755)	42,459	(5,651)	(45,130)	(55,225)	(94,846)	108,048
(Increase)/decrease in deferred costs	80,984	41,390	42,860	(77,367)	(24,991)	(18,108)	87,278	(61,694)	(22,620)	(23,080)	(20,116)	(11,824)	5,874	(168,686)
Increase/(decrease) in deferred revenue	(43,252)	51,170	73,354	104,471	(113,818)	115,177	(153,627)	58,146	51,855	98,723	55,097	10,068	(10,435)	20,547
Increase in accounts payable and accrued liabilities	(87,489)	(19,196)	63,590	125,520	45,880	215,794	(92,547)	130,865	54,434	(37,749)	55,003	23,590	69,011	(4,248)
Decrease in tax receivable agreement liability	-	-	-	-	-	-	-	-	-	-	-	(12,559)	-	-
(Decrease)/increase in other liabilities	(207,066)	(16,526)	(3,890)	107,950	38,180	125,714	58,660	155,357	(133,442)	(11,975)	68,600	405	78,144	(8,572)
Net cash provided by operating activities	161,218	(65,752)	(56,447)	310,268	88,274	276,343	(58,098)	271,144	192,123	97,765	502,934	96,722	96,591	94,528

Statement of Cash Flow 2

ENDEAVOR

Endeavor Group Holdings Inc.														
Statement of Cash Flow														
<i>(in thousands, except per share data)</i>														
	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2023	Q2 2023	Q3 2023
CASH FLOWS FROM INVESTING ACTIVITIES:														
Acquisitions, net of cash acquired	(317,929)	(425)	(255,208)	(2,860)	(177,879)	(436,372)	(64,168)	(366,937)	(1,003,413)	3	(1,434,515)	(12,237)	(30,456)	26,279
Purchases of property and equipment	(71,651)	(9,313)	(17,794)	(13,867)	(58,828)	(99,802)	(21,840)	(33,956)	(38,961)	(53,207)	(147,964)	(55,055)	(55,970)	(53,690)
Proceeds from business divestiture, net of cash sold	-	-	-	-	-	-	649,706	-	261,139	13,906	924,751	9,275	1,067,462	-
Proceeds from sale of assets	113,026	16,513	2,724	100	2,656	21,993	110	305	3,033	589	4,037	1,218	2,078	6,219
Investments in affiliates	(37,644)	(954)	(113,005)	(25,774)	(14,371)	(154,104)	(18,708)	(22,506)	(5,516)	(5,543)	(52,273)	(18,888)	(48,477)	(36,807)
Other, net	(1,594)	1,789	3,108	6,336	(2,028)	9,205	(361)	1,509	(485)	766	1,429	1,567	881	(89)
Net cash provided by (used in) investing activities	(315,792)	7,610	(380,175)	(36,065)	(250,450)	(659,080)	544,739	(421,585)	(784,203)	(43,486)	(704,535)	(74,120)	935,518	(58,088)
CASH FLOWS FROM FINANCING ACTIVITIES:														
Proceeds from borrowings	1,218,270	132,982	87,859	99,107	732,755	1,052,703	7,037	3,000	(4)	5,615	15,648	-	49,913	23,250
Payments on borrowings	(568,733)	(193,669)	(658,672)	(122,465)	(112,587)	(1,087,393)	(21,528)	(28,359)	(274,130)	(269,695)	(593,712)	(22,161)	(55,812)	(95,821)
Payments under tax receivable agreement	-	-	-	-	-	-	-	-	-	-	-	(37,534)	-	-
Contributions	-	-	5,400	-	150	5,550	-	-	-	-	-	-	-	-
Distributions	(123,173)	(5,173)	(3,570)	(93)	(339)	(9,175)	(351)	(25,602)	(330)	(10,103)	(36,386)	(26,291)	(7,365)	(25,899)
Repurchase of Class A common stock	(53,856)	-	1,886,643	(1,902,790)	(24,173)	(40,320)	-	-	-	(9,412)	(9,412)	-	-	(200,000)
Dividends	-	-	-	-	458	458	-	-	-	-	-	-	-	27,407
Redemption payments related to pre-IPO units	-	(7,177)	(7,225)	1,901,045	-	1,886,643	(7,067)	-	(698)	7,765	-	(1,500)	-	-
Acquisition of non-controlling interests	-	(500)	(835,183)	644	(644)	(835,683)	4,600	87,887	-	-	92,487	(500)	(43,304)	-
Payments of contingent and deferred consideration related to acquisitions	(2,320)	(1,778)	-	(358)	(83)	(2,219)	(1,697)	(9,947)	-	(6,463)	(18,107)	(1,971)	(16,982)	-
Other, net	(16,199)	(2,528)	89	(1,533)	(6,417)	(10,389)	(137)	(640)	(205)	555	(427)	95	(457)	(76)
Net cash used in financing activities	453,989	(77,843)	475,341	(26,443)	589,120	960,175	(19,143)	26,339	(275,367)	(281,738)	(549,909)	(89,862)	(74,007)	(271,139)
Change in cash, cash equivalents and restricted cash balances held for sale	-	-	-	(59,504)	30,768	(28,736)	28,736	7	(2,791)	(1,353)	24,599	4,062	-	-
Effect of exchange rate changes on cash, cash equivalents and restricted cash	4,845	(1,171)	2,226	(3,648)	(662)	(3,255)	319	(16,583)	(13,688)	9,820	(20,132)	3,468	35	(6,555)
Increase (decrease) in cash, cash equivalents and restricted cash	304,260	(137,156)	40,945	184,608	514,306	602,703	496,553	(140,678)	(883,926)	(218,992)	(747,043)	(59,730)	958,137	(296,068)
Cash, cash equivalents and restricted cash at beginning of year	886,073	1,190,333	-	-	-	1,190,333	1,793,036	-	-	-	1,793,036	1,045,993	-	-
Cash, cash equivalents and restricted cash at end of period		1,048,099	46,023	184,608	(88,397)	1,190,333	2,289,589	(140,678)	(883,926)	528,051	1,793,036	986,263	958,137	(296,068)

D&A and CapEx

ENDEAVOR

Endeavor Group Holdings Inc.											
D&A and CapEx											
<i>(in thousands, except per share data)</i>											
	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Revenue	3,478,743	1,069,582	1,111,272	1,391,303	1,505,556	5,077,713	1,473,763	1,312,515	1,221,416	1,260,443	5,268,137
D&A	310,883	67,236	69,161	71,661	74,825	282,883	65,994	65,612	63,571	71,598	266,775
<i>% of CapEx</i>	434%	722%	389%	517%	127%	283%	302%	193%	163%	135%	180%
CapEx	(71,651)	(9,313)	(17,794)	(13,867)	(58,828)	(99,802)	(21,840)	(33,956)	(38,961)	(53,207)	(147,964)
<i>% of revenue</i>	2.1%	0.9%	1.6%	1.0%	3.9%	2.0%	1.5%	2.6%	3.2%	4.2%	2.8%

Endeavor Group Holdings Inc.										
D&A and CapEx										
<i>(in thousands, except per share data)</i>										
	Q1 2023	Q2 2023	Q3 2023	Q4 2023E	FY 2023E	FY 2024E	FY 2025E	FY 2026E	FY 2027E	
Revenue	1,596,837	1,436,212	1,344,395	1,634,017	6,011,461	6,607,087	7,142,558	7,662,755	8,146,935	
D&A	66,751	61,078	81,207	93,793	302,829	319,254	347,485	342,065	303,799	
<i>% of CapEx</i>	121%	109%	151%	140%	131%	151%	139%	124%	113%	
CapEx	(55,055)	(55,970)	(53,690)	(66,995)	(231,710)	(211,427)	(249,990)	(275,859)	(268,849)	
<i>% of revenue</i>	3.4%	3.9%	4.0%	4.1%	3.9%	3.2%	3.5%	3.6%	3.3%	

Balance Sheet 1

ENDEAVOR

Endeavor Group Holdings Inc.														
Balance Sheet														
<i>(in thousands, except per share data)</i>														
	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2023	Q2 2023	Q3 2023
Current Assets:														
Cash and cash equivalents	1,008,485	880,880	869,775	1,028,709	1,560,995	1,560,995	2,030,255	1,824,012	970,782	767,828	767,828	718,658	1,616,493	1,337,665
Restricted cash	181,848	167,219	224,347	250,021	232,041	232,041	259,334	324,899	294,203	278,165	278,165	267,605	327,907	310,667
Accounts receivable	445,778	519,478	597,581	639,429	615,010	615,010	760,518	826,715	893,369	917,000	917,000	991,618	982,191	1,083,125
Deferred costs	234,634	195,038	154,678	230,305	255,371	255,371	165,545	222,067	247,864	268,524	268,524	283,326	277,577	512,164
Assets held for sale	-	-	-	960,677	885,633	885,633	-	19,690	27,301	12,013	12,013	5,984	5,984	7,500
Other current assets	194,463	189,108	240,315	200,959	204,697	204,697	200,541	243,646	253,620	293,206	293,206	271,018	397,983	436,016
Total current assets	2,065,208	1,951,723	2,086,696	3,310,100	3,753,747	3,753,747	3,416,193	3,461,029	2,687,139	2,536,736	2,536,736	2,538,209	3,608,135	3,687,137
Property and equipment, net	613,139	604,920	603,012	598,433	629,807	629,807	630,035	630,280	642,891	696,302	696,302	711,589	472,152	891,323
Operating lease right-of-use assets	386,911	374,473	360,462	363,040	373,652	373,652	361,512	357,406	324,340	346,550	346,550	337,422	329,384	330,429
Intangible assets, net	1,595,468	1,550,160	1,592,439	1,554,108	1,611,684	1,611,684	1,601,477	1,915,898	2,199,670	2,205,583	2,205,583	2,190,078	2,167,746	5,342,618
Goodwill	4,181,179	4,181,616	4,399,594	4,415,891	4,506,554	4,506,554	4,530,728	4,540,660	5,237,971	5,284,697	5,284,697	5,302,070	5,090,554	10,119,121
Investments	251,078	225,065	295,038	285,842	298,212	298,212	492,721	483,590	407,435	336,973	336,973	348,548	344,013	386,994
Deferred income taxes	-	-	-	-	36,371	36,371	-	-	-	771,382	771,382	804,981	809,873	569,065
Other assets	540,651	719,778	966,876	203,444	224,490	224,490	326,721	347,755	416,469	325,619	325,619	386,793	494,730	574,938
Total assets	9,633,634	9,607,735	10,304,117	10,730,858	11,434,517	11,434,517	11,359,387	11,736,618	11,915,915	12,503,842	12,503,842	12,619,690	13,316,587	21,901,625
Current Liabilities:														
Accounts payable	554,260	497,218	522,100	556,179	558,863	558,863	527,406	600,026	540,142	600,605	600,605	615,232	673,690	590,078
Accrued liabilities	322,749	371,002	430,993	503,953	524,061	524,061	460,428	490,577	580,001	525,239	525,239	531,381	501,968	707,219
Current portion of long-term debt	212,971	103,213	94,845	75,858	82,022	82,022	82,649	87,113	89,039	88,309	88,309	88,686	98,981	63,013
Current portion of operating lease liabilities	58,971	58,700	59,249	60,643	59,743	59,743	59,910	58,989	59,355	65,381	65,381	68,673	70,317	73,293
Deferred revenue	606,530	660,269	774,213	636,531	651,760	651,760	496,577	564,267	609,715	716,147	716,147	730,034	582,093	751,313
Deposits received on behalf of clients	176,572	162,893	193,083	235,308	216,632	216,632	242,411	312,336	279,402	258,414	258,414	247,776	309,262	293,304
Liabilities held for sale	-	-	-	548,846	507,303	507,303	-	4,985	4,866	2,672	2,672	-	-	-
Current portion of tax receivable agreement liability	-	-	-	-	-	-	-	-	-	50,098	50,098	154,893	154,893	156,514
Other current liabilities	65,025	64,199	91,006	89,805	105,053	105,053	129,413	150,417	186,289	107,675	107,675	106,359	242,151	288,084
Total current liabilities	1,997,078	1,917,494	2,165,489	2,707,123	2,705,437	2,705,437	1,998,794	2,268,710	2,348,809	2,414,540	2,414,540	2,543,034	2,633,355	2,922,818

Balance Sheet 2

ENDEAVOR

Total current liabilities	1,997,078	1,917,494	2,165,489	2,707,123	2,705,437	2,705,437	1,998,794	2,268,710	2,348,809	2,414,540	2,414,540	2,543,034	2,633,355	2,922,818
Long-term debt	5,712,834	5,768,324	5,255,743	5,032,543	5,631,714	5,631,714	5,621,429	5,596,660	5,338,364	5,080,237	5,080,237	5,062,508	5,011,424	4,983,404
Long-term operating lease liabilities	395,331	382,246	365,901	364,608	363,568	363,568	351,695	345,762	308,828	327,888	327,888	314,556	304,752	301,101
Long-term tax receivable agreement liability	-	-	-	-	92,588	92,588	-	-	-	961,623	961,623	842,935	838,555	871,922
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	171,571	171,571	-	-	561,250
Other long-term liabilities	373,642	365,386	387,607	371,902	309,884	309,884	421,011	400,137	496,378	241,411	241,411	459,693	431,303	391,407
Total liabilities	8,478,885	8,433,450	8,174,740	8,476,176	9,103,191	9,103,191	8,392,929	8,611,269	8,492,379	9,197,270	9,197,270	9,222,726	9,219,389	10,031,902
Commitments and contingencies (Note 17)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Redeemable non-controlling interests	168,254	168,773	179,140	208,890	209,863	209,863	242,534	48,630	254,699	253,079	253,079	254,239	231,340	223,514
Redeemable equity	22,519	22,519	-	-	-	-	-	-	-	-	-	-	-	-
Shareholders' Equity:														
Additional paid-in capital	-	4,990	1,556,791	1,580,638	1,624,201	1,624,201	1,696,851	1,962,051	2,061,760	2,120,794	2,120,794	2,248,015	2,309,320	4,849,404
Accumulated deficit	-	(650)	(319,597)	(277,112)	(296,625)	(296,625)	22,921	-	(10,039)	(216,219)	(216,219)	(208,188)	194,986	(52,235)
Accumulated other comprehensive loss	(190,786)	(174,234)	(98,530)	(95,811)	(80,535)	(80,535)	(49,428)	(61,265)	(61,223)	(23,736)	(23,736)	(14,997)	36	(34,100)
Members' Equity:														
Total Endeavor Group Holdings, Inc. shareholders' equity	277,847	273,086	1,138,669	1,207,720	1,247,046	1,247,046	1,670,349	1,900,791	1,990,503	1,880,844	1,880,844	2,024,835	2,504,348	4,763,075
Nonredeemable non-controlling interests	686,129	709,907	811,568	838,072	874,417	874,417	1,053,575	1,175,928	1,178,334	1,172,649	1,172,649	1,117,890	1,361,510	6,883,134
Total shareholders' equity	963,976	982,993	1,950,237	2,045,792	2,121,463	2,121,463	2,723,924	3,076,719	3,168,837	3,053,493	3,053,493	3,142,725	3,865,858	11,646,209
Total liabilities, redeemable interests and shareholders' equity	9,442,861	9,416,443	10,124,977	10,521,968	11,224,654	11,224,654	11,116,853	11,687,988	11,661,216	12,250,763	12,250,763	12,365,451	13,085,247	21,678,111
Common Class A [Member]	468,633	-	-	-	-	-	-	-	-	-	-	-	-	-
Shareholders' Equity:														
Common stock value	-	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
Common Class B [Member]	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shareholders' Equity:														
Common stock value	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Common Class C [Member]	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shareholders' Equity:														
Common stock value	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Common Class X [Member]	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shareholders' Equity:														
Common stock value	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Common Class Y [Member]	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shareholders' Equity:														
Common stock value	-	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00

Net Working Capital

ENDEAVOR

Endeavor Group Holdings Inc.																	
Working Capital																	
<i>(in thousands, except per share data)</i>																	
	FY 2020	Q1 2021	Q2 2021	Q3 2021	FY 2021	Q1 2022	Q2 2022	Q3 2022	FY 2022	Q1 2023	Q2 2023	Q3 2023	FY 2023E	FY 2024E	FY 2025E	FY 2026E	FY 2027E
Current Assets:																	
Accounts receivable	445,778	519,478	597,581	639,429	615,010	760,518	826,715	893,369	917,000	991,618	982,191	1,083,125	1,046,387	1,150,065	1,243,272	1,333,820	1,418,099
Deferred costs	234,634	195,038	154,678	230,305	255,371	165,545	222,067	247,864	268,524	283,326	277,577	512,164	306,412	336,772	364,066	390,581	415,260
Other current assets	194,463	189,108	240,315	200,959	204,697	200,541	243,646	253,620	293,206	271,018	397,983	436,016	334,577	367,727	397,530	426,482	453,430
Total current assets	874,875	903,624	992,574	1,070,693	1,075,078	1,126,604	1,292,428	1,394,853	1,478,730	1,545,962	1,657,751	2,031,305	1,687,376	1,854,564	2,004,867	2,150,883	2,286,789
Current Liabilities:																	
Accounts payable	554,260	497,218	522,100	556,179	558,863	527,406	600,026	540,142	600,605	615,232	673,690	590,078	685,349.25	753,254.83	825,652.06	897,961.25	967,645.87
Accrued liabilities	322,749	371,002	430,993	503,953	524,061	460,428	490,577	580,001	525,239	531,381	501,968	707,219	602,935	662,675	716,381	768,555	817,117
Deferred revenue	606,530	660,269	774,213	636,531	651,760	496,577	564,267	609,715	716,147	730,034	582,093	751,313	817,194	898,163	970,954	1,041,670	1,107,489
Other current liabilities	65,025	64,199	91,006	89,805	105,053	129,413	150,417	186,289	107,675	106,359	242,151	288,084	123,603	135,850	146,859	157,555	167,511
Total current liabilities	1,548,564	1,592,688	1,818,312	1,786,468	1,839,737	1,613,824	1,805,287	1,916,147	1,949,666	1,983,006	1,999,902	2,336,694	2,229,081	2,449,942	2,659,847	2,865,742	3,059,763
NWC	(673,689)	(689,064)	(825,738)	(715,775)	(764,659)	(487,220)	(512,859)	(521,294)	(470,936)	(437,044)	(342,151)	(305,389)	(541,705)	(595,378)	(654,980)	(714,859)	(772,974)
Change in NWC					(90,970)	201,844	312,879	194,481	293,723	50,176	170,708	215,905	(70,769)	(53,673)	(59,602)	(59,879)	(58,115)
Drivers																	
AR Days	46.77	177.27	196.28	167.75	44.21	188.35	229.90	266.97	63.53	226.66	249.61	294.07	63.53	63.53	63.53	63.53	63.53
Deferred costs as % of revenue	6.7%	18.2%	13.9%	16.6%	5.0%	11.2%	16.9%	20.3%	5.1%	17.7%	19.3%	38.1%	5.1%	5.1%	5.1%	5.1%	5.1%
Other current assets as % of revenue	5.6%	17.7%	21.6%	14.4%	4.0%	13.6%	18.6%	20.8%	5.6%	17.0%	27.7%	32.4%	5.6%	5.6%	5.6%	5.6%	5.6%
AP Days	58.15	169.68	171.49	145.91	40.17	130.62	166.86	161.41	41.61	140.63	171.21	160.20	41.61	41.61	42.19	42.77	43.35
Accrued liabilities as % of direct operating costs	18.5%	67.9%	75.5%	74.9%	20.2%	66.3%	96.5%	145.5%	25.4%	73.4%	86.0%	145.0%	25.4%	25.4%	25.4%	25.4%	25.4%
Deferred revenue as % of revenue	17.4%	61.7%	69.7%	45.8%	12.8%	33.7%	43.0%	49.9%	13.6%	45.7%	40.5%	55.9%	13.6%	13.6%	13.6%	13.6%	13.6%
Other current liabilities as % of direct operating costs	3.7%	11.7%	15.9%	13.3%	4.0%	18.6%	29.6%	46.7%	5.2%	14.7%	41.5%	59.0%	5.2%	5.2%	5.2%	5.2%	5.2%

Revenue Build

ENDEAVOR

Endeavor Group Holdings Inc.																				
Revenue Build																				
<i>(in thousands, except per share data)</i>																				
	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023E	FY 2023E	FY 2024E	FY 2025E	FY 2026E	FY 2027E
Revenue																				
Owned sports properties	952,624	283,481	258,865	288,521	277,340	1,108,207	296,689	331,930	402,272	301,444	1,332,335	353,289	340,088	479,748	338,737	1,511,862	1,852,031	2,176,136	2,502,557	2,815,376
% of revenue	27.4%	26.5%	23.3%	20.7%	18.4%	21.8%	20.1%	25.3%	32.9%	23.9%	25.3%	22.1%	23.7%	35.7%	20.7%	25.1%	28.0%	30.5%	32.7%	34.6%
% YoY growth						16.3%	4.7%	28.2%	39.4%	8.7%	20.2%	19.1%	2.5%	19.3%	12.4%	13.5%	22.5%	17.5%	15.0%	12.5%
Events, experiences, & rights	1,593,509	539,610	528,672	446,333	516,668	2,031,283	780,935	567,808	394,118	709,105	2,451,966	800,786	591,078	367,064	774,735	2,533,663	2,723,688	2,887,109	3,031,465	3,152,723
% of revenue	45.8%	50.5%	47.6%	32.1%	34.3%	40.0%	53.0%	43.3%	32.3%	56.3%	46.5%	50.1%	41.2%	27.3%	47.4%	42.1%	41.2%	40.4%	39.6%	38.7%
% growth						27.5%	44.7%	7.4%	-11.7%	37.2%	20.7%	2.5%	4.1%	-6.9%	9.3%	3.3%	7.5%	6.0%	5.0%	4.0%
Representation	943,873	248,909	328,232	664,723	717,893	1,959,757	357,321	357,955	388,335	408,539	1,512,150	350,240	381,149	385,619	410,377	1,527,385	1,557,933	1,596,881	1,635,207	1,674,452
% of revenue	27.1%	23.3%	29.5%	47.8%	47.7%	38.6%	24.2%	27.3%	31.8%	32.4%	28.7%	21.9%	26.5%	28.7%	25.1%	25.4%	23.6%	22.4%	21.3%	20.6%
% growth						107.6%	43.6%	9.1%	-41.6%	-43.1%	-22.8%	-2.0%	6.5%	-0.7%	0.5%	1.0%	2.0%	2.5%	2.4%	2.4%
Sports data & technology	-	-	-	-	-	-	45,043	60,371	46,720	(152,134)	-	100,859	130,565	124,847	110,168	466,439	473,435	482,430	493,526	504,384
% of revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.1%	4.6%	3.8%	-12.1%	0.0%	6.3%	9.1%	9.3%	6.7%	7.8%	7.2%	6.8%	6.4%	6.2%
% growth							123.9%	116.3%	167.2%	135.8%		123.9%	116.3%	167.2%	135.8%	-	1.5%	1.9%	2.3%	2.2%
Eliminations	(11,263)	(2,418)	(4,497)	(8,796)	(5,823)	(21,534)	(6,225)	(5,549)	(10,029)	(6,511)	(28,314)	(8,337)	(6,668)	(12,883)		(27,888)				
% of revenue	-0.3%	-0.2%	-0.4%	-0.6%	-0.4%	-0.4%	-0.4%	-0.4%	-0.8%	-0.5%	-0.5%	-0.5%	-0.5%	-1.0%		-0.5%				
% growth						91.2%	157.4%	23.4%	14.0%	11.8%	31.5%	33.9%	20.2%	28.5%		-1.5%				
Total revenue	3,478,743	1,069,582	1,111,272	1,390,781	1,506,078	5,077,713	1,473,763	1,312,515	1,221,416	1,260,443	5,268,137	1,596,837	1,436,212	1,344,395	1,634,017	6,011,461	6,607,087	7,142,558	7,662,755	8,146,935

WACC and Beta

ENDEAVOR

WACC Calculation	
<i>(in thousands, except per share data)</i>	
Risk free rate	4.39%
Market rate	10.00%
Equity risk premium	5.61%
Beta	0.92
Cost of Equity	9.57%
Credit Spread	4.55%
Cost of debt	8.94%
Tax rate	17%
Cost of debt after taxes	7.42%
Stock price	\$24.08
Shares outstanding	301,900
MV of equity	7,269,752
MV of debt	5,420,800
Weight of equity	57.3%
Weight of debt	42.7%
WACC	8.65%

Covariance	0.0001433
Variance	0.0001552
Beta	0.92293

Discounted Cash Flow 1

ENDEAVOR

Endeavor Group Holdings Inc.																				
Discounted Cash Flow																				
<i>(in thousands, except per share data)</i>																				
	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023E	FY 2023E	FY 2024E	FY 2025E	FY 2026E	FY 2027E
Revenue	3,478,743	1,069,582	1,111,272	1,391,303	1,505,556	5,077,713	1,473,763	1,312,515	1,221,416	1,260,443	5,268,137	1,596,837	1,436,212	1,344,395	1,634,017	6,011,461	6,607,087	7,142,558	7,662,755	8,146,935
% growth						46.0%	37.5%	15.1%	-12.2%	-16.3%	3.5%	8.4%	9.4%	10.1%	29.6%	14.1%	9.9%	8.1%	7.3%	6.3%
EBIT	(153,218)	94,498	(307,505)	137,280	53,487	(22,240)	173,915	151,019	157,169	94,930	577,033	136,591	158,449	31,875	148,042	474,957	566,585	610,147	685,312	788,494
EBIT margin	-4.4%	8.5%	-27.7%	9.9%	3.6%	-0.4%	11.5%	11.5%	12.9%	7.5%	11.0%	8.6%	11.0%	2.4%	9.1%	7.9%	8.6%	8.5%	8.9%	9.7%
NOPAT	(127,171)	78,433	(255,229)	113,942	44,394	(18,459)	144,349	125,346	130,450	78,792	478,937	113,371	131,513	26,456	122,875	394,214	470,266	506,422	568,809	654,450
Tax rate	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%
Plus: D&A	310,883	67,236	69,161	71,661	74,825	282,883	65,994	65,612	63,571	71,598	266,775	66,751	61,078	81,207	93,793	302,829	319,254	347,485	342,065	303,799
Less: CapEx	(71,651)	(9,313)	(17,794)	(13,867)	(58,828)	(99,802)	(21,840)	(33,956)	(38,961)	(53,207)	(147,964)	(55,055)	(55,970)	(53,690)	(66,995)	(231,710)	(211,427)	(249,990)	(275,859)	(268,849)
Less: Change in NWC	-	-	-	-	(90,970)	(90,970)	201,844	312,879	194,481	293,723	293,723	50,176	170,708	215,905	(70,769)	(70,769)	(53,673)	(59,602)	(59,879)	(58,115)
FCFF	112,061	136,356	(203,862)	171,736	151,361	255,592	(13,341)	(155,877)	(39,421)	(196,540)	304,025	74,891	(34,087)	(161,932)	220,441	536,102	631,766	663,520	694,894	747,516
Discount factor																0.25	1.25	2.25	3.25	4.25
Terminal Value (Growth)																				13,017,367
Terminal Value (Multiple)																				20,367,338
Cash Flows (Growth)																536,102	631,766	663,520	694,894	13,764,882
Cash Flows (Multiple)																536,102	631,766	663,520	694,894	21,114,854
PV of CF (Growth)																525,097	569,531	550,534	530,661	9,674,754
PV of CF (Multiple)																525,097	569,531	550,534	530,661	14,840,738

Discounted Cash Flow 2

Terminal Value Calculation			
Growth rate		Multiple Method	
Terminal Cash Flow	747,516	Terminal Rev	8,146,935
WACC	8.65%	WACC	8.65%
Terminal growth rate	2.75%	EV/Rev	2.5x
Terminal value	13,017,367	Terminal value	20,367,338
PV of terminal value	9,149,357	PV of terminal value	14,315,341
Enterprise value	11,850,577	Enterprise value	17,016,561
Debt	5,420,800	Debt	5,420,800
Cash	1,337,665	Cash	1,337,665
Equity Value	7,767,442	Equity Value	12,933,426
Diluted shares outstanding	300,640	Diluted shares outstanding	300,640
Price/Share	25.84	Price/Share	43.02

Sensitivity Analysis						
Gordon Growth						
	25.84	2.25%	2.50%	2.75%	3.00%	3.25%
WACC	8.15%	26.38	27.83	29.41	31.14	33.05
	8.40%	24.79	26.11	27.54	29.11	30.83
	8.65%	23.32	24.53	25.84	27.26	28.82
	8.90%	21.97	23.07	24.27	25.57	26.98
	9.15%	20.71	21.73	22.83	24.01	25.30
Multiples Method						
	43.02	2.x	2.25x	2.5x	2.75x	3.x
WACC	8.15%	34.34	39.20	44.06	48.91	53.77
	8.40%	33.92	38.73	43.53	48.34	53.15
	8.65%	33.50	38.26	43.02	47.78	52.54
	8.90%	33.08	37.80	42.51	47.23	51.94
	9.15%	32.67	37.34	42.01	46.68	51.35

Comparable Companies Analysis 1

ENDEAVOR

Endeavor Group Holdings Inc.

Comparable Companies Analysis

(in thousands, except per share data)

Company	Ticker	Price	Shares	Market Cap	Cash	Debt	Preferred & Other	EV	LTM Revenue	2025E Rev	LTM EBIT	2025E EBIT	LTM EBITDA	2025E EBITDA
Endeavor Group Holdings Inc.	EDR	\$ 24.08	301,900	7,269,752	1,337,665	5,420,800	7,106,600	11,352,887	5,637,887	7,142,558	421,845	610,147	251,700	1,798,700
Disney	DIS	\$ 92.69	183,000	16,962,270	14,182,000	50,672,000	13,735,000	53,452,270	88,898,000	97,541,900	5,100,000	16,776,500	10,469,000	19,960,000
Warner Music Group	WMG	\$ 33.11	524,100	17,352,951	641,000	4,260,000	123,000	20,971,951	6,037,000	6,819,600	790,000	1,141,500	1,122,000	1,514,700
Liberty Media Company	FWONA	\$ 57.28	234,600	13,437,888	1,470,000	3,046,000	-	15,013,888	2,746,000	3,688,400	216,000	439,000	560,000	805,800
Live Nation Entertainment	LYV	\$ 84.12	244,200	20,542,104	5,948,500	8,420,700	1,479,000	23,014,304	21,200,000	25,289,600	1,138,200	1,250,300	1,912,700	2,027,400
Lions Gate Entertainment	LGF	\$ 9.62	234,000	2,251,080	223,600	3,736,900	412,400	5,764,380	4,009,900	4,199,200	714,200	220,200	754,600	536,200

Minimum

Q1

Average

Median

Q3

Max

Minimum

Q1

Average

Median

Q3

Max

Comparable Companies Analysis 2

ENDEAVOR

LTM Net Income	2025E Net Income	LTM EPS	2025E EPS	EV/LTM Rev	EV/ 2025E Rev	EV/ LTM EBIT	EV/ 2025E EBIT	EV/ LTM EBITDA	EV/ 2025E EBITDA	LTM P/E	2025 P/E								
361,122	670,400	1.20	2.22	2.01x	1.59x	26.91x	18.61x	45.10x	6.31x	20.13x	10.84x								
2,354,000	9,871,700	12.86	53.94	0.60x	0.55x	10.48x	3.19x	5.11x	2.68x	7.21x	1.72x								
427,000	752,100	0.81	1.44	3.47x	3.08x	26.55x	18.37x	18.69x	13.85x	40.64x	23.07x								
499,000	261,300	2.13	1.11	5.47x	4.07x	69.51x	34.20x	26.81x	18.63x	26.93x	51.43x								
435,600	725,100	1.78	2.97	1.09x	0.91x	20.22x	18.41x	12.03x	11.35x	47.16x	28.33x								
342,800	155,800	1.46	0.67	1.44x	1.37x	8.07x	26.18x	7.64x	10.75x	6.57x	14.45x								
		0.81	0.67	0.60x	0.55x	8.07x	3.19x	5.11x	2.68x	6.57x	1.72x								
		1.46	1.11	1.09x	0.91x	10.48x	18.37x	7.64x	10.75x	7.21x	14.45x								
		3.81	12.03	2.41x	2.00x	26.97x	20.07x	14.06x	11.45x	25.70x	23.80x								
		1.78	1.44	1.44x	1.37x	20.22x	18.41x	12.03x	11.35x	26.93x	23.07x								
		2.13	2.97	3.47x	3.08x	26.55x	26.18x	18.69x	13.85x	40.64x	28.33x								
		12.86	53.94	5.47x	4.07x	69.51x	34.20x	26.81x	18.63x	47.16x	51.43x								
				\$	(2.30)	\$	(0.56)	\$	(2.25)	\$	(9.27)	\$	2.43	\$	7.85	\$	3.82		
				\$	6.75	\$	8.01	\$	1.12	\$	23.61	\$	(7.16)	\$	50.53	\$	8.62	\$	32.08
				\$	31.54	\$	33.68	\$	24.15	\$	27.03	\$	(1.81)	\$	54.70	\$	30.74	\$	52.85
				\$	13.32	\$	18.95	\$	14.73	\$	23.68	\$	(3.49)	\$	54.11	\$	32.21	\$	51.24
				\$	51.35	\$	59.23	\$	23.57	\$	39.38	\$	2.06	\$	68.97	\$	48.61	\$	62.91
				\$	88.58	\$	82.78	\$	83.60	\$	55.59	\$	8.83	\$	97.49	\$	56.41	\$	114.20

Methodology		
Multiple	Share Price	Weight
DCF MM	\$43.02	20%
DCF GG	\$25.84	20%
DCF	\$13.77	40%
EV/ 2025E Rev	\$33.68	15%
EV/ LTM Rev	\$31.54	20%
EV/ 2025E EBIT	\$27.03	15%
LTM P/E	\$32.21	10%
Comps	\$18.64	60%
Share Price	\$32.41	100%
Upside		34.6%

Revenue Segment Breakdown

Segment	Description
Owned sports properties	Comprised of a unique portfolio of premium sports properties, including UFC, WWE, PBR and Euroleague. Through the UFC, the world's premier professional MMA organization, we produce more than 40 live events annually which are broadcast in over 170 countries and territories to over 900 million TV households. UFC was founded in 1993 and has grown in popularity, having now hosted more than 600 events and reaching a global audience through an increasing array of global broadcast license agreements and our owned FIGHT PASS streaming platform. The value of our content is demonstrated by our licensing arrangements with ESPN and other international broadcasters.
Events, experiences, & rights	Own, operate, or represent hundreds of global events annually, including live sports events covering 15 sports across more than 25 countries, international fashion weeks, art fairs and music, culinary and lifestyle festivals and major attractions. We own and operate many of these events, including the Miami Open and Madrid Open, Frieze art fairs, Barrett-Jackson, New York Fashion Week: The Shows, and Hyde Park Winter Wonderland. We also operate other events on behalf of third parties, including the AIG Women's Open and Honda Classic. Through On Location, we provide premium live event experiences globally, servicing more than 1,200 events and experiences for sporting and music events such as the Super Bowl, the Aer Lingus Classic college football game, the Ryder Cup, the NCAA Final Four, Coachella and the next three Olympic Games.
Representation	Our Representation segment provides services to more than 7,000 talent and corporate clients. Our Representation business deploys a subset of our integrated capabilities on behalf of our clients. Through our client representation businesses, including the WME talent agency and IMG Models, we represent a diverse group of talent across entertainment, sports, and fashion, including actors, directors, writers, athletes, models, musicians, and other artists, in a variety of mediums, such as film, television, books, and live events. Through our 160over90 business, we provide brand strategy, marketing, advertising, public relations, analytics, digital, activation, and experiential services to many of the world's largest brands. Through IMG Licensing, we provide IP licensing services to a large portfolio of entertainment, sports, and consumer product brands, including representing these clients in the licensing of their logos, trade names and trademarks.
Sports data & technology	Formed on January 1, 2023, is comprised of our sports data and technology business, IMG ARENA, and OpenBet, which were both previously included in our Events, Experiences & Rights segment. IMG ARENA delivers live streaming and data feeds for more than 65,000 sports events annually to sportsbooks, rightsholders and media partners around the globe. This data also powers IMG ARENA's portfolio of on-demand virtual sports products and front-end solutions, including the UFC Event Centre. Our OpenBet business specializes in betting engine products, services and technology, processing billions of bets annually, as well as trading, pricing and risk management tools; player account and wallet solutions; innovative front-end user experiences and user interfaces; and content offerings, such as BetBuilder, DonBest pricing feeds and a sports content aggregation platform.

- As a result of the transaction Endeavor Group Holdings and/or its subsidiaries received (1) a 51.0% controlling non-economic voting interest in TKO on a fully-diluted basis and (2) a 51.0% economic interest on a fully-diluted basis in the operating subsidiary, TKO OpCo, which owns all of the assets of the UFC and WWE businesses after the closing of the Transactions, and (B) the stockholders of WWE received (1) a 49.0% voting interest in TKO on a fully-diluted basis and (2) a 100% economic interest in TKO, which in turn holds a 49.0% economic interest in TKO OpCo on a fully-diluted basis.
- The purchase price was \$8.4 billion, which consisted of 83,161,123 shares of TKO Class A common stock valued at \$8.0 billion, cash consideration of \$321.0 million and replacement awards valued at \$49.3 million. The cash consideration was paid after closing in September in the form of a dividend
- The replacement awards consisted of the WWE restricted stock units and performance stock units outstanding immediately prior to the closing of the Transactions that converted into awards of TKO restricted stock units and performance stock units, respectively, on the same terms and conditions as were applicable immediately prior to the closing of the Transactions
- The Company incurred \$87.5 million in transaction related costs, including transaction bonuses, in connection with this acquisition. The costs were expensed as incurred and included in selling, general and administrative expenses in the consolidated statement of operations
- The goodwill for the WWE business combination was assigned to the Owned Sports Properties segment. The goodwill is not deductible for tax purposes. The weighted average life of finite-lived intangible assets acquired as part of the WWE business combination is 20.2 years

Rationale:

Asset Value vs Equity Value Disconnect

- EDR CEO Ari Emanuel is disappointed EDR has been trading at 1.5x its revenue when one of its much smaller, more niche private competitor was just acquired for 15x, roughly \$7 billion
- EDR's 51% of TKO sells for around \$7 billion alone
- EDR management believes that the current share price does not accurately represent Endeavor's intrinsic value and are considering going private to realize that value